Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An Ω indicates a Foreign Media Note.

INTER-AMERICAN AFFAIRS

Gore, Latin American Leaders News Conference *[Tegucigalpa Radio]* 1
Guatemala's De Leon on Trade, Violence *[Tegucigalpa Radio]* 3
Mercosur Countries' State Banks Define Strategies *[NOTICIAS ARGENTINAS]* 4

CARIBBEAN

Cuba

Government Extends Sugarcane Harvest Season *[NOTIMEX]* 5
Foreign Ministry on New Directorate, Robaina's Travel Plans *[Havana Radio]* 5
Jose Cabanas Appointed To Head Directorate *[Havana Radio]* 5
Alarcon Visits Parliament, Meets With Officials *[Havana Radio]* 6
Raul Castro Speech to FAR Civilian Workers *[Havana TV]* 6
Visits Havana Youth Labor Army Farms *[Havana TV]* 8
Heavy Rains Continue; Mudslides, Fires Reported *[Havana Radio]* 8
TRABAJADORES Editorial on Economic Measures *[Havana Radio]* 8
Matanzas Province Fuel Consumption Examined *[Havana Radio]* 10
More on Dates for Product, Service Price Changes *[Havana Radio]* 10
Cuban-Arab Union Medal Awarded to 25 People *[Havana Radio]* 11
Spanish Tobacco Company To Help Finance Next Harvest *[Havana Radio]* 11

Dominican Republic

Pena Gomez Urges Balaguer To Resolve Crisis *[AFP]* 11
JCE Board Chief Denies Runoff Under Consideration *[AFP]* 11

Haiti

Ambassador to Dominican Republic Denies Merger Plan *[Port-au-Prince Radio]* 12
FRAPH Urges Mobilization To Oppose U.S. *[Port-au-Prince Radio]* 12
Demand Removal of U.S Ships *[Port-au-Prince Radio]* 12
Fifty Arrested for Attempting Clandestine Boat Trip *[Port-au-Prince Radio]* 13
Jonassaint Government Appoints Ministry Directors *[Port-au-Prince Radio]* 13

St. Kitts and Nevis

Financial Officials Urge Caution Regarding NAFTA *[Castries TV]* 13

CENTRAL AMERICA

Honduras

Panama's Endara Comments on Meeting With Gore, Canal *[Tegucigalpa Radio]* 15

Nicaragua

Government Backs UN, OAS Measures Against Haiti *[Managua TV]* 16
Chamorro, Cardinal Talk on Sandinist Congress *[Managua TV]* 16
Economic Cabinet Asks for More Aid *[BARRICADA 17 May]* 16

Panama

Clinton Proposals on Canal Termed 'Positive' *[LA PRENSA 24 May]* 16
Legislators Favor Canal Proposal *[EL SIGLO 24 May]* 17
Agreements With Colombia on Immigration Noted *[LA ESTRELLA DE PANAMA 22 May]* 17
Jose Luis Sosa To Head Security, Defense Office *[LA PRENSA 23 May]* 17

SOUTH AMERICA

Argentina

Menem Confirms Security Secretariat Arguments *[NOTICIAS ARGENTINAS]* 19
Fishing Agreement With EU Signed in Brussels *[NOTICIAS ARGENTINAS]* 19
Navy Says Fishing Boat 'Sunk by Its Own Crew' *[NOTICIAS ARGENTINAS]* 20
Continental Glaciers Boundary Plan Viewed *[CLARIN 23 May]* 20

Bolivia

Deputy Predicts 'Unbridled Reactions' Over Coca Decree *[LOS TIEMPOS 14 May]* 21
Correction to Minister Against Legalization of Drugs 21

Brazil

U.S. Official Supports Economic Plan *[AGENCIA ESTADO]* 21
Changed Foreign Trade Policy on Mercosur Noted *[AGENCIA ESTADO]* 21
Strategic Affairs, Intelligence Policies Viewed *[O ESTADO DE SAO PAULO 22 May]* 22
Amendment Reduces Presidential Term to 4 Years *[AGENCIA ESTADO]* 23
PPR Names Candidates for Presidential Ticket *[AGENCIA ESTADO]* 23
Lula's Use of Union Van Seen as Electoral Violation *[O GLOBO 24 May]* 23

Chile

Frei Delivers State of Nation Address *[Santiago TV]* 23
Time 'Not Right' To Reform Military Appointment Procedures *[Madrid EFE]* 29

Colombia

Court President Reminds Gaviria of 'Limits' *[Santa Fe de Bogota TV]* 29
Gaviria Answers Constitutional Court President *[Santa Fe de Bogota TV]* 30
Roundup of Economic Developments *[EL TIEMPO 20 May, etc.]* 30

Gore, Latin American Leaders News Conference

PA2505001794 Tegucigalpa Voz de Honduras Network in Spanish 1930 GMT 24 May 94

[News conference by U.S. Vice President Albert Gore, Honduran President Carlos Roberto Reina, Costa Rican President Jose Maria Figueres, and Guatemalan President Ramiro De Leon Carpio with unidentified reporters following Gore's meeting with Central American presidents at the Government Palace in Tegucigalpa; Gore speaks in English with passage by passage translation into Spanish; transcribed from the English—live]

[Excerpts] [Reina] It is a great pleasure and honor to be here today in the presence of the Central American presidents and U.S. Vice President Albert Gore. This is happening in Tegucigalpa a few hours before we mark Journalists Day. Thus, I think that this is a symbolic act. I wish to congratulate you for this celebration that speaks highly of communications in our homeland.

We had a very interesting meeting which was enriched by the opinions of the U.S. Vice President, who has had a very brilliant career in his country, in the House of Representatives, the Senate, and in politics. The vice president wanted us to discuss very important issues, including sustainable development and good government [previous two words in English], which I call social revolution in Honduras; in other words, a government that makes scrupulous efforts to become not only efficient but absolutely honest in the handling of funds and in its social policies; a government that strengthens the principles of democracy and consolidates those values to achieve development with a humanistic consideration, which is what we have talked about in the past.

Vice President Gore will address you, and afterward, you may pose appropriate questions, and the vice president, I, or the presidents of Central America will answer them. We are honored to have here the presidents of Central America, which has grown because we now include Panama and Belize as countries of the region. Thank you very much for being here. Mr. Vice President, welcome to Honduras; this is the press from my country. [previous sentence in English] [passage omitted]

[Reporter] Is there a possibility that the U.S. Government could get international organizations to be more flexible toward the Central American countries? Have you made a commitment in this summit to talk to these international organizations to be more flexible and to decrease their pressures against these countries when it comes to the negotiation of loans?

[Gore] [words indistinct] intensive discussion of the need for development on a sustainable basis in the region with assistance from multilateral development banks and other international financial institutions and increased investment flows and trade flows to improve standards of living throughout Central America, and in the bilateral meetings I had with President Reina prior to the meeting with all of the Central American presidents, we talked in specific detail about the relationship between Honduras and the IMF and ways in which the United States can offer constructive help in that dialogue

[Reporter] Mr. U.S. Vice President, President Endara announced today that the first withdrawal of U.S. troops from the Canal Zone will take place next week. Our question is: Will your country seek to negotiate with Honduras or any other Central America country the relocation of the bases, which the Panamanians say they want vacated by 1999?

[Gore] Perhaps, that is the reason why it was not part of the agenda for a discussion.

[Reporter] Is the United States willing to accept responsibility for its conduct during the past decade? What specific commitments will the United States assume in light of appalling poverty in Central America so that economic readjustment programs can be made more flexible and sustainable development can be achieved from a humane viewpoint in the short run. Also, what commitments will it make to give the area, currently represented as a bloc, the same conditions offered to other countries, for instance, within the frameworks of NAFTA and the Summit of the Americas to be held in Miami?

[Gore] We want to be a good partner with the countries of Central America. We believe that what we have stood for, not only during the last 10 years but the last 200 years, is in the best interest of all people. We believe in democracy and free markets and social justice, sustainable development, human rights, and the other values that are now shared and are almost universal in this hemisphere. The Summit of the Americas in December promises to be an unparalleled opportunity for the democracies of this hemisphere, having reached this plateau of development and shared values, to now set our sights together on even higher peaks and to find more effective ways to work together to improve standards of living for all of our people in the areas of education, health care, environmental protection, and sustainable economic development throughout the hemisphere. My country wants to be a good partner in all these endeavors. I was really impressed by the depth of the dialogue that we shared during this consultative meeting in Tegucigalpa. I think this was an important milestone.

[Reporter] The fight to protect the environment begins to emerge in the Central American countries. As the governments say they are willing to protect the environment, they are often cornered by a lack of resources and resort to foreign investment. For instance, in Honduras, the government is preparing to approve a considerable amount to install a refinery in a protected area. Would the U.S. Government be willing to help Hondurans protect the environment and, to what extent, will it be willing to help?

[Reina] No decision has been made regarding that refinery yet. There is a proposal, which must be studied with the environmentalist groups. No commitment exists yet to establish that refinery. This is why we cannot ask for help because a decision has not been made. Hondurans will be the ones to decide whether this is convenient or not. I have said this in order to clarify the situation for Vice President Gore.

[Gore] I do not know any region in the world where seven heads of state have come together to propose that an entire region, across international boundaries, be considered a model area for sustainable development with careful attention to protecting the environment and the natural resources, the bio-diversity, and the harmonious relationship between people and the environment. We have agreed to enter into an intensive consultative process, to put flesh on those bones, so to speak, to spell out the specifics of what such a commitment would mean. As for resources necessary to support an approach like this, the Inter-American Development Bank has now set aside a rather large sum that will help efforts to protect the environment and to promote sustainable development. Other international financial institutions are also setting environmental criteria for providing support for sustainable development, institutions like the World Bank, for example. I believe Central America has an opportunity to be a showcase at the December Summit of the Americas as a success-story in how nations can cooperate and improve the lives of their peoples by pursuing sustainable development. Now, one final comment: It is essential also to focus on stabilizing population. There are 30 million people in Central America today, within 25 years, there will be 50 million people. In September, the entire world will gather in Cairo for a global conference on stabilizing population. Part of sustainable development is finding ways to take the steps necessary to stabilize population: increasing child-survival rates, providing education for all people and [break in reception] women.

In some areas of the world that is one of the, [pauses] the lack of education is part of the problem. Providing access to birth control and information about birth control. These are measures which will be discussed in Cairo in September. [passage omitted]

[Reporter] Let us now listen to President Jose Maria Figueres.

[Figueres] We are trying to set up a new axis around which to create a new relationship between the United States and the Central American countries. The truth of the matter is that relations between our countries and the United States during the 1980s had a lot to do with the armed conflicts that were going on in the region. Today, we are seeking a new basis upon which to build a good and beneficial long lasting relationship.

[Reporter] Could you tell us why the meeting was extended? Did any of you ask the United States to intercede with international financial organizations to try to make conditions on our foreign debt payment a little more flexible?

[Figueres] I understand that President Reina discussed the matter with Vice President Gore during a meeting prior to the meeting with all the presidents. We did not discuss this issue during our meeting, however. It is very related to the issue of sustainable development. We discussed the Central American Bank and agreed this financial institution of ours could become a source of financial assistance to facilitate the transition to sustainable development. To do that, we would have to attract capital to the Central American Bank from countries outside the region.

[Reporter] We also have statements by Guatemalan President Ramiro de Leon Carpio.

[De Leon] We need resources. Although he did announce that local and international nongovernmental organizations are going to talk with him and us, we made our request for cooperation quite clear. We highlighted the fact that the international community tends not to help us as much in Latin America, Central America in particular, as we emerge from under development or as we overcome our institutional and democratic problems and look toward improving development and fighting poverty. There are several examples of this. We were clear to state that we must continue receiving the same degree of cooperation if we want to reach sustainable development levels.

Regarding the issue of trade and investment within an environment of sustainable development, we pointed out three specific areas: 1) the need to accelerate and support the process of prior negotiations directed at signing agreements under an alliance for a program of sustainable development, 2) the need to designate a technical liaison for Central America and for the U.S. Government to coordinate and prepare the process, and 3) to direct our foreign ministries to set a date for the next follow-up meeting in Washington. As you may remember, we presented a pilot plan for Central America when we were in Washington, which will now be a central issue for this meeting. The Central American countries will present this plan together, with the intention of receiving technology and resources.

[Reporter] Mr. President, specifically now, what kind of action can the U.S. Vice President carry out, or what degree of influence could he have to channel funds toward Central American countries?

[De Leon] One issue we discussed has to do with trade. Today, the vice president himself announced what we were going to request of him: trade equality. He announced today that the Clinton administration has responded and has proposed, or is about to propose, trade parity for our countries before Congress. This equality would grant preferential treatment for certain products, such as textiles and others. This is, in itself, a preliminary step toward entering NAFTA, whose final

objective is to become a hemispheric trade agreement. We also asked him to invite the U.S. Government to become an external partner of the Central American Bank of Economic Integration [BCIE]

[Reporter] What did he say?

[De Leon] He gave us a very specific answer; he will examine this request under the light of the Clinton administration's economic position. We hope they will answer us at the next meeting in the United States. This is, as you can see, a very specific answer to the request for funds you mentioned. With the United States and the vice president integrated as external partners of the BCIE, we would obviously have better access to funds from the United States. Hence, their commitment goes further than meetings and conferences to become an effective contribution.

[Reporter] Mr. President, we would like to know if the vice president made any commitment about preventing what is known as Central American forum flu [trancazo de los foros centroamericanos] and if it is in fact avoidable? I mean unfair economic packages.

[De Leon] That was not something we discussed directly. It is, however, a situation that affects all Latin American economies. We hope the human aspect, the social aspect... [6 second break in reception] ...certain areas could see significant development levels, but with a social and human outlook. That will not only mean growth for a chosen few, but the effective fight against poverty.

[Reporter] Mr. President, you have shown your willingness to accept all that he has promised here, but, what chances do we have that this will be complied with?

[There is no answer; a voice is heard saying: Over here, please]

[Reporter] Security agents have intervened and did not permit any further questions. The men did not even allow the Guatemalan president to answer the question.

[Announcer] The news conference is over. In addition to U.S. Vice President Gore and the Honduran president, the presidents of Costa Rica and Guatemala participated and spoke in detail on the subjects discussed during this joint meeting of the Central American presidents and the U.S. Vice President.

Guatemala's De Leon on Trade, Violence

PA2405182694 Tegucigalpa Voz de Honduras Network in Spanish 1500 GMT 24 May 94

[News conference by Guatemalan President Ramiro de Leon Carpio upon arriving in Honduras to attend a meeting of Central American presidents, with unidentified reporters; at the Hernan Acosta Mejia Air Force Base in Tegucigalpa—live]

[Text] [De Leon] We, the Central American presidents, are very excited to be here, where we will try to unify our positions and prepare the agenda for the hemispheric summit—the so-called Summit of the Americas—which will be held in the United States at the end of the year. The idea is precisely to unify the proposals, our proposals, proposals to be presented by each nation. The idea is to present in a unified manner diverse issues, including environmental issues, on which a proposal has already been drawn up by all of the Central American presidents. I had the honor of presenting to President Clinton the proposal for a sustained alliance, an Alliance for Sustained Development. This is a pilot program for Central America to strengthen our democracies based on absolute liberty, based on a true democracy, and based on respect for human rights, such as the right to a clean environment.

There is also the drug trafficking issue, and drug-related activities, which generally includes several other issues. There is also the free trade issue, which has taken the form of NAFTA. We will attempt to unify standards in an attempt to present a single point of view at the upcoming meeting on this.

[Reporter] What [words indistinct] NAFTA in Guatemala?

[De Leon] We have been studying this. We have presented a proposal to the United States. Every president has already appointed and designated two representatives each, and these representatives are already working on this. We hope this process will develop little by little until a hemispheric free trade agreement is achieved. This was the proposal the presidents made to President Clinton in November. Of course, to achieve this we must overcome several problems. Our [words indistinct] our goal is to achieve integration, although we understand that integration into this free trade agreement will be a slow process.

[Reporter] This is a historic moment for the democracies of Central America. The Guatemalan Government has entered into negotiations with the Guatemalan guerrillas. What are the chances these negotiations will ultimately put an end to this conflict, which is the last armed conflict to prevail in the region?

[De Leon] Tomorrow will be exactly one year since former President Serrano Elias attempted to interrupt the institutional and constitutional order. This is one of the main reasons why I assumed the presidency of the Republic. Now, one year later, we can highlight two fundamental changes that have taken place. In institutional matters one year later, we can say with satisfaction that Guatemala has guarded and strengthened its institutionality. Today, more than ever, any possibility of interrupting institutional order has been removed. Now, more than ever, there is no talk of a coup d'etat in Guatemala, and the principles of institutionality have been strengthened and preserved and, in turn, so has the democratic process.

Meanwhile, when I assumed the Presidency nearly one year ago, we encountered a dialogue that had broken down; the entire process was totally bogged down. Now we are nearing peace [words indistinct] to sign peace. Today—and this is the reason I was delayed—we were engaged in direct communication with the Peace Commission that is discussing the displaced communities issue. We are on the verge of resolving this point, while we are [words indistinct] the aspect we have already agreed upon on a timetable that will conclude with a cease-fire in September. In certain regions, there could be cease-fires before this time. This would conclude with the signing of a peace pact that puts an end to an armed conflict—the last one, as you just noted--which has been going on for more than 33 years.

[Reporter] What was the U.S. reaction to the proposal you presented in the name of the Central American presidents?

[De Leon] At that time, it was very well-received. I believe this is the time to test the world power that is our neighbor and which, to some extent, is committed to these issues not only because of a commitment to the nations of Central America, but also because of its commitments to its own population. For example, environmental issues as well as drug-related activities, adversely affect not only the Central American population, but they also affect the U.S. population and the world population. Therefore, this proposal was very well-received, and we hope that today we can wrap up this point and take it to the upcoming summit with...

[Reporter, interrupting] Mr. President will this meeting serve to somehow establish a bilateral relationship with Honduras?

[De Leon] We have embarked on an excellent relationship with President Reina, and I believe that this is a good opportunity to discuss bilateral issues, even through this may be in a very quick manner. We will be meeting on 31 May in San Salvador, but there are issues we can discuss, such as the supply of electricity. We could offer Honduras a certain amount of megawatts, which would enable us, when the network is created, to supply a certain amount of electricity. Right now, this is a difficult issue for Honduras. We undoubtedly could discuss this and other issues, particularly in light of the excellent relationship all of the Central American nations currently have, and all presidents have, including the new presidents.

[Reporter] What about the travel advisory issued to U.S. citizens in the wake of the high level of violence and attacks against U.S. citizens? Has this situation improved? Why is this situation occurring?

[De Leon] As Guatemalan President and as a representative of the Guatemalan people and its government, I believe this was a very drastic decision; it was much too extreme on the part of the world power, the United States. In the United States itself, incidents such as those that have occurred in my country are also taking place against citizens from other nations. There are murders, violence, and others incidents. Nevertheless, although I respect it, I do not agree with this drastic decision. It is unjustified because, although in Guatemala we are currently experiencing a climate of violence like many other parts of the world, conditions do not exist to justify the travel warning [preceding two words in English]. Nevertheless, we are making an all-out effort to convince the United States that conditions do not prevail to continue with this warning in the hope of returning tourism to the nation.

[Reporter] But what is the reason for this situation?

[De Leon] It has been brought about by violent situations that have taken place in all countries of the world. There have been two or three cases. There were charges of trafficking in children, and these were untrue. Nevertheless, two or three U.S. citizens have been accused, as well as two or three other foreigners. Nevertheless, conditions do not prevail to justify the travel warning [preceding two words in English].

Mercosur Countries' State Banks Define Strategies

PY2405125894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2233 GMT 20 May 94

[Text] Montevideo, 20 May (AFP-NA)—The directors of the Argentine, Brazilian, and Uruguayan state banks met today in Montevideo to accelerate the region's financial integration process with an eye to establishing the future Common Market of the South (Mercosur).

Executives from the Argentine Bank of the Nation, the Bank of Brazil, and the Bank of the Uruguayan Republic participated in the meeting, according to officers of the Uruguayan bank.

The meeting had the mission of "evaluating the application of mutual cooperation agreements that will permit an effective financial integration of the countries that will be a part of Mercosur," according to a communique issued by the Uruguayan banking authorities.

"The mutual granting of lines of financial credit to promote the subregion's exports, actions to promote trade within Mercosur, and credit support for enterprises that run their activities from Argentina, Brazil, and Uruguay" were among the topics that were evaluated.

The three Southern Cone countries and Paraguay will, as of 1995, implement a free trade zone in which financial activities will be increased with a greater flow in the exchange of services and assets.

During the meeting that was held in Montevideo, with the absence of Paraguay, it was agreed to promote the "exchange of technical and normative information between the state financial institutions and to advance in the field of banking technology cooperation," according to the communique.

Cuba

Government Extends Sugarcane Harvest Season

PA2505000694 Mexico City NOTIMEX in Spanish 2029 GMT 24 May 94

[By Francisco Ramirez Cardenas]

[Text] Havana, 24 May (NOTIMEX)—Today, the Cuban Government suspended summer vacations for sugar workers after announcing that the harvest season will be extended and asked workers to keep working "until the last cane is pressed" to avoid losses in the sector resulting from the heavy rains.

"These are the times in which our intelligence, our work ethic, and courage are necessary to produce as much sugar as possible," Sugar Industry Minister Nelson Torres Perez said on Tuesday in statements to official newspaper GRANMA. Torres asked agro-industrial workers to raise their spirits and not to give up in view of the heavy rains and floods, which paralyzed harvests in the eastern provinces of the island, where at least 10 persons lost their lives.

Bridges, roads, thermoelectric plants, houses, and plantations were adversely affected by the heavy rains, which represented for the residents of the region a disaster similar to the one they suffered last November.

The sugarcane harvest, which had been scheduled to end in April, was first extended until May, and now, according to official estimates, could be extended until June.

The critical situation was foreseen in mid-April by Vice President Carlos Lage, who in an analysis meeting in Holguin Province described the sugarcane harvest situation as tense and difficult. Lage, the principal economic strategist, thereby changed the criteria he had set at the beginning of the year when he said that the 1994-95 harvest season would be greater than the present one and that the present one would be greater "by several hundred tons [as received] than the 1992-93 season."

The water excess, in addition to obstructing the work of the scarce machinery that remains operating with the shortage of fuel, decreases the amount of sucrose in the sugarcane. Cuba registered in the last sugar cane harvest, its principal industry, the lowest production in three decades of only 4.2 million tons of sugar, which President Fidel Castro described as "a disaster."

The drop in production, as compared to the 1991-92 harvest season, of 7 million tons, represented for the island a decrease in revenue of $500 million at a time when the country is facing a serious shortage of foreign exchange. "In July and August, nothing will stop...most of the sugar cane workers will remain in combat because there are no resources to perform work in other areas, including repair work" at the sugar mills, Torres said. "This effort we are making is not due to somebody's whim or to the proud search for an objective," the sugar industry minister said in the western city of Matanzas.

The rains of the last 30 days in the Provinces of Guantanamo, Granma, Holguin, and Santiago de Cuba flooded hundreds of hectares and paralyzed the sugarcane harvest, which is also facing problems due to the lack of supplies.

Torres suggested taking advantage of the momentary absence of rain to work in the flooded fields because "we cannot spare even a ton of sugar. The national economy and the commitments we have made require it."

The Cuban Government has, for the past few weeks, made a dramatic effort, which included the deployment of thousands of workers with machetes—cane cutters—to step up production.

Foreign Ministry on New Directorate, Robaina's Travel Plans

FL2405191594 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 94

[Text] The new Directorate for Affairs of Cubans Residing Abroad [Direccion para los Asuntos de los Cubanos Residentes en el Exterior] has been created at the Foreign Ministry. The creation of the directorate was announced on 24 May by Foreign Ministry spokesman Miguel Alfonso, who pointed out that the decision of the Cuban Government to create this directorate, directly subordinate to the minister's office, is part of the accords made in the recent conference, The Nation and the Emigre Community:

[Begin Alfonso recording] The characteristics of this new directorate are: First, it is directly subordinate to the foreign minister. As its name—Directorate for Affairs of Cubans Residing Abroad—indicates, the goal is to harmonize and coordinate an entire series of problems facing the emigre community and the solutions to those problems. [end recording]

The Foreign Ministry spokesman also announced that Foreign Minister Roberto Robaina will travel to Cairo to participate in the ministerial conference of the Nonaligned Movement from 31 May to 3 June. Later, Robaina will make an official trip to Qatar to inaugurate the Cuban Embassy.

Alfonso added that in coming months, Cuba will participate in the Fourth Ibero-American Summit in Cartagena de Indias on 12-15 June, and the assembly that will establish the Association of Caribbean States in Barbados.

Jose Cabanas Appointed To Head Directorate

FL2505012094 Havana Radio Rebelde Network in Spanish 2300 GMT 24 May 94

[Excerpt] Miguel Alfonso, official Foreign Ministry spokesman, today reported that Jose Cabanas has been

named to head the new Directorate for Affairs of Cubans Residing Abroad. This directorate was created as part of the agreement reached at the recent conference, The Nation and the Emigre Community. [passage omitted]

Alarcon Visits Parliament, Meets With Officials

FL2405194694 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 94

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], has visited the British Parliament at Westminster Palace. Alarcon's tour of the historic building was the first activity in the Cuban delegation's official visit at the invitation of the British Parliamentary Union group. The Cuban delegation received a detailed explanation of the Parliament's procedures, followed by a luncheon hosted by MP William Rogers, Labor Party spokesman for foreign affairs. The Cuban delegation also visited the famous Tate Gallery, where valuable works by artists of the UK are exhibited.

Alarcon also met with Don Arnold, member of the Conservative Party and treasurer of the Cuban-British group of the House of Commons, and Michael Marshall, president of the British Interparliamentary Council. Alarcon attended a welcome dinner hosted by John Ward, president of the British group, U.P. [expansion unknown]

According to sources from the Cuban Embassy in London, the ANPP delegation, on the first day of their visit, received expressions of satisfaction from the hosts and were pleased by the interest in learning the structure and function of the ANPP.

Raul Castro Speech to FAR Civilian Workers

FL2405183994 Havana Tele Rebelde Network in Spanish 0038 GMT 24 May 94

[Speech by Army General Raul Castro, minister of the Revolutionary Armed Forces, FAR, to close the plenum of FAR's national committee of civilian workers; date and place not given—recorded]

[Text] Dear Comrades: As I said earlier, I will be brief. We have always believed that the endeavors of the union of civilian workers of the FAR are not only compatible with the principle of a unified command but are also an irreplaceable tool to an army such as ours, the Cuban people in uniform. The fact that this union has had a productive existence of over two decades, and the accomplishments of this last period that you have summarized and studied in depth at this meeting, confirm our conviction.

At a recent FAR military council, I termed colossal the work carried out and the results achieved over the past three years by the FAR. Thanks to these achievements, the special period has not reduced our capabilities or our combat-readiness. The abrupt cutoff of Soviet supplies and the drastic reduction of resources allocated from the national economy did not intimidate us, nor did it render us content to remain as we were. Had we not drafted plans to resist a military blockade in case of war? Was that an exercise in rhetoric, or did it express our commitment to confront the worst, resist, and triumph? We tackled the special period in peacetime with the same commitment with which we would have shouldered the hard trials of war.

The unbelievably difficult situation was a foothold for strengthening the concept of the War of the Entire People and redoubling efforts, unleashing creative initiatives, and encouraging the boldness of millions of patriots involved in defense tasks in different ways. Among these are the civilian workers of the FAR and their union. You deserve part of the credit, and it pleases us to say so at this meeting with the national committee of the civilian workers of the FAR.

What has been accomplished should never cause us to become smug or complacent, for what remains to be done exceeds what has been done. It is true that our food production has been growing at an annual rate of 30 percent. We should not decrease the rate of growth, however, until we achieve full self-sufficiency in food for our troops and civilian workers. What's more, we ought to produce enough to be able to allocate a modest amount of food and other essential products to the families of career military and civilian cadres. We are not satisfied with what we have attained. We will try to provide more each day to every member of the FAR, including, as is logical, its civilian workers.

Every one of us has to become convinced that every component will have what it is able to attain through its efforts. Work, the only source of wealth, ought to be the main factor determining who will have more, and who will have less, food, high-demand items, and services of every kind. Parallel to this in-house effort to free up resources previously allocated to us by the national economy, we have the growing efforts of the Youth Labor Army, its members, and its laborers at the self-contained farms, who struggle to produce food for the population in the savannas and mountains: in sugarcane and coffee fields; and production of tubers, vegetables, grains, and citrus. This is an extraordinary contribution, as the demand for a labor force reaches its peak.

The officers and soldiers of regular units, and Camilitos and civilian workers from military schools and academies, are also marching to the fields. A good example of this is the Labor Feat banner just received from Comrade Pedro Ross, secretary general of the Cuban Workers Federation [CTC], by a detachment that, representing the FAR, worked in the fields in Pinar del Rio and Havana Provinces. The task of reshaping and perfecting the structure of the FAR, which we have undertaken in order to bring it into line with our economy's current possibilities, could not have been achieved in such a short period of time and with such quality without the

full support of every soldier and civilian, from the generals to the soldiers and from the union leaders to the very last worker.

We are not deceiving ourselves, nor are we trying to deceive the enemy, when we affirm that we are today more powerful and undefeatable because we rely on our own resources and have developed and strengthened the doctrine of the War of the Entire People. We are not the armed forces with the most active resources. Nevertheless, we can affirm that we have the best-prepared armed force on the continent, and therefore the one with the most vitality, the one capable of emerging from the bowels of the earth following massive surprise air raids and making any enemy trying to invade Cuba pay an immense price. Any invaders who, at an elevated cost, might manage to occupy portions of our territory will feel the earth shake beneath their feet.

They would have not a single moment of respite.

A hornet's nest of millions of men and women fighting in every corner of the fatherland would force them to desist from such a criminal attempt, take their tens or hundreds of thousands of casualties, and learn, finally, that anyone trying to take over Cuba, will harvest the dust of its soil drenched in blood, or die in the struggle, as General Antonio Maceo once warned on behalf of Cuba and for all time.

During the same period that we worked at the aforementioned tasks, other no less important or difficult tasks have been carried out, such as preserving and maintaining equipment and weapons and preparing the theater of military operations. In these tasks, the contributions of the civilian workers of the FAR and all workers nationwide, through the National Association of Innovators and Efficiency Experts and the Technical Youth Brigades, have been significant.

The CTC and its unions have worked systematically at mobilizing workers to build people's tunnels. They have done this quietly. The number of kilometers they dig every day in the soil of the fatherland to ensure that it will always be free and sovereign are figures we do not publicize. However, we can publicize and stress this: Over 30 million pesos are donated annually to support the Territorial Troops Militia. How noble are today's workers, the historical heirs of the tobacco workers of Tampa and Key West who gave Marti, the delegate of the Cuban Revolutionary Party, 10 percent of their measly salaries to buy weapons for the Mambi Army!

Such efforts in the military aspect have helped sustain the work that we began seven years ago and which was the main focus of our previous congress. Many of the results the FAR have to show, particularly in production and services, are owed in great measure to the improvements made in the enterprise system begun back then, which also included budgeted units. I remember all the time we devoted to this issue during the fifth congress, the enthusiasm which with the delegates welcomed the idea, and all the progress made since 1987, unhurriedly, consolidating every inch of the way.

The contributions of the civilian workers of the FAR and its union organizations have been decisive to everything that has been attained on this economic front. We are aware that there are still problems that need to be solved. Nevertheless, we are convinced that civilians and military together, we will solve them one step at a time—including the farming enterprises, where it is more difficult and complex to consolidate the structures, stabilize the work force, and become profitable.

The reduction of the expenses of the active FAR and the increase in profitability of our enterprises are the main pillars of our goal to make the FAR financially self-sufficient. This is the road we are following and we are exactly half-way there: This year, our budget was reduced by 50 percent. This was a concrete contributionm to correct the nation's financial imbalance, one of Cuba's main goals, as expressed in the recent resolutions of the National Assembly of the People's Government. This is also a reflection of the will of the peoples' vanguard as expressed in the Parliaments in the Workplace assemblies that gathered more than 3 million workers so as to hear their opinions and have them discuss the most crucial of the nation's problems, mobilize their enormous reserves of patriotism, and strengthen their revolutionary awareness.

We could talk about many other issues but this is not necessary, since they have been discussed extensively. Today, you have issued the call to the Sixth Congress of the Union of Civilian Workers of the FAR. The agenda contained in the summons is a broad one, and covers the main issues. Therefore, extensive study prior to the discussions and discussions at the base and middle levels will help not only to clarify the essence of these problems but also to mobilize everyone's will to promote solutions, as well as to increase political awareness. You can count on the utmost support of our commands, the political bodies and organizations of the Communist Party of Cuba, and the Union of Young Communists in the FAR.

The Sixth Congress is our congress, our civilian workers' most important event. The congress will be held in 1995, 100 years after that congress at which the fatherland was reborn with a new call to arms for freedom, 100 years after the death in combat of Jose Marti and the epic war of independence headed by Antonio Maceo and Maximo Gomez.

Fidel taught us how to commemorate national centennials. One hundred years after Marti's birth, he organized us and headed the assault on the Moncada Barracks. Let us pay a worthy homage to Marti's centennial, and to those heroic, sublime, and sacred moments of the fatherland's through an exemplary congress of the civilian workers of the glorious FAR.

I urge you to use all your intelligence and to work energetically and boldly during the next 12 months in

order to attain that goal. We will meet at the Sixth Congress, but also before. Thank you very much. [applause]

Visits Havana Youth Labor Army Farms

FL2505121494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 May 94

[Text] Today, Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces, visited three Youth Labor Army [EJT] integrated farms dedicated to miscellaneous crops and located in Altemisa and Alquizar Municipalities. Raul conversed with farmers who make up the EJT forces and showed interest in the work they do, their enthusiasm, and living conditions. The farm leadership briefed Raul and his delegation on the progress in achieving production goals and on the farm's efficiency, profitability, and costs.

Heavy Rains Continue; Mudslides, Fires Reported

FL2405153794 Havana Radio Rebelde Network in Spanish 0900 GMT 23 May 94

[Report by Santiago de Cuba correspondent Carlos Zanabria and "Doing Radio" program host Orlando Contreras—live]

[Text] [Zanabria] It has rained intensely in Santiago de Cuba.

[Contreras] This weekend?

[Zanabria] In the last 94 hours ...[corrects] in the last 72 hours the amount of rainfall in Santiago de Cuba Province has been tremendous.

[Contreras] Approximately how many millimeters?

[Zanabria] Tercer Frente is the municipality where the most rainfall, over 300 mm, has been recorded in the last few hours.

[Contreras] Excuse me, how much did you say?

[Zanabria] Over 300 mm of rainfall in less than 24 hours.

[Contreras] Over 300 mm of rainfall. This is the rainfall recorded in many provinces during one entire year.

[Zanabria] For this municipality it is the average amount of rainfall for one year.

[Contreras] As I said, that would be the amount of rainfall expected in one year, and it fell within a 24-hour period.

[Zanabria] Exactly, and the same thing happened in Songo-La Maya where rainfall has been intense In Santiago de Cuba 116 mm of rainfall fell in the last few hours.

[Contreras] I imagine that the floodgates of most dams are open.

[Zanabria] Yes. There are over 3,000 houses damaged, with over 1,000 of these in Santiago de Cuba Municipality, 80 of which were totally destroyed. In the municipality of Guama, unfortunately, there has been a fatality: Juan Gonzalez Jinarte, who was drunk and drowned while trying to cross a local river with his mules.

[Contreras] This was the only fatality?

[Zanabria] No, this was the second fatality. The first fatality occurred in Segundo Frente Municipality.

[Contreras] Given the magnitude of the rainfall, there have been very few vicitms.

[Zanabria] There were also fires this weekend in the Hermanos Diaz refinery and the Retome medical equipment factory. There have been many landslides, and floods in low-lying areas.

I am preparing a complete report for Doing Radio listeners, and then I will go out with the mobile unit and visit some of the places affected, for instance, the Rente Electric Plant which is off-line from the national electrical system. This is of great importance. Last night [22 May] there were long power outages in Santiago de Cuba, and in the midst of this rain, so you can imagine the situation here.

[Contreras] We await further information. I believe the news that you have given us up to now is outright poignant. There is another fatality in Santiago, and we can imagine that last night must have been very tense, considering everything that is happening.

[Zanabria] Last night, I spoke with the pilot of the (Aero-Caribbean) flight that arrived in Santiago de Cuba. I went to pick up Diosdado Maso and accompany Carmen Oria to the airport, as she was returning to Havana. The pilot informed me that he does not know how he managed to land at the Holguin airport, where the plane made a stopover, because the rainfall made it almost impossible to see the runway lights.

That is the situation here; and as I said earlier, I am about to visit some of the most hard-hit areas to obtain information for my next report. We will remain in contact the rest of the day.

[Contreras] Thank you very much Zanabria, and we await further information.

TRABAJADORES Editorial on Economic Measures

PA2405172694 Havana Radio Havana Cuba in Spanish 0000 GMT 24 May 94

[Editorial from the 23 May edition of TRABAJADORES; title not given; from the "Evening Information Review" newscast—read by Pedro Otero]

[Text] The revolutionary government has announced the implementation of nine important measures concerning

the increase of prices and fees affecting the population. These measures, which will begin to be implemented 1 June and continue throughout the year, concur with one of the recent decisions reached by the National Assembly, and they mark the beginning of a phase during which interrelated measures that are part of a larger process will be implemented. These measures should result in the improvement of our internal finances and thereby lay the foundations for other actions that will benefit the country's economic stabilization and reorganization.

Although it has been said and repeated many times, it is necessary to reiterate this once again: There is no alternative to these measures and their implementation cannot be delayed any longer. During the first quarter of the year, the excess of currency increased by 591 million pesos. By the end of May, our monetary liquidity will be approximately 12 billion pesos. Any delay in facing this problem will only be against the vital interests of the nation and the working people.

It is true that these increases represent new sacrifices that will affect all of us to some degree. This cannot be denied. We have, however, faced sacrifices and hardships before, and none would be worse than the ones we would have to face should the current situation related to internal finances continue to deteriorate. We should reflect on this seriously because it is not a matter of applauding the measures. Nevertheless, we should be able to understand them and realize that the country has no other choice.

Higher prices and fees, particularly on cigarettes and alcoholic beverages—price increases that were widely debated in the parliaments in the workplace—are measures that can give us the best results in the near future in terms of generating revenues. According to forecasts from relevant state organizations, their implementation should contribute by the second half of the year to stop the increase of money in circulation, which should begin to recede before the end of the year. This would be an initial success and an encouraging step on the path we must take.

A key factor that should be explained to all workers in the country is that it is impossible under the current circumstances to think that these increases in prices and fees can be accompanied by a parallel and compensatory increase in salaries. We would be deceiving ourselves if we tried to make a general wage adjustment under current conditions. We must give real value to current salaries instead of issuing more paper money, which would only contribute to foster an endless vicious circle. This can only be achieved by increasing productivity, expanding the supply of goods and services, and gradually recovering the purchasing power of the Cuban peso.

The first step should be reducing to acceptable limits the internal financial imbalance. This, of course, does not invalidate the specific measures now being implemented in various parts of the country to encourage workers engaged in vital economic activities, to identify those who contribute the most, and to increase their real income through various means.

We must emphasize that, along with the strict measures, our government has taken steps to protect the most vulnerable and lowest income sectors. Even cigarettes, non-staple products that are hazardous to people's health, have been protected as much as possible for consumers who received fixed or controlled quotas through the application of different and lower prices than the ones that will prevail in the free market.

Another proposal that received broad support in the parliaments in the workplace was the move to eliminate subsidies in staple products obtained by ration cards and instead subsidize the individuals and families that are the most needy. In practice, the implementation of this proposal is turning out to be a long and complex process. This means the state will continue paying 365 million pesos a year to subsidize essential goods whose price has not been adjusted. Products whose prices will be increased do not represent an amount that cannot be paid by the lower income groups.

Another concrete example concerns electricity fees. Fees paid by those families that consume less than 100 kilowatts, approximately 53 percent of all families, will not be raised. The increase in electricity fees will be applied to the other 47 percent of the families, those with greater incomes because they use 76 percent of the electricity supply assigned to the residential sector. This measure's essential goal is to encourage savings by spending less on fuel. In turn, it has been noted that the new fees will not replace or override the consumption plan or lead to the suspension of services for those who time and again exceed this plan.

The increase in train [word indistinct] fees, which prompted appropriate criticism, was wisely corrected while a 30 percent bonus was established for workers and students who regularly use this service. Some measures, such as the one aimed at eliminating the $100 million peso annual subsidy to the workers' soup kitchens, are economically significant. Meanwhile, other measures, such as the fixed fees for water and sewage service, and the increase in postal and telegraph services, although they are far from making the institutions that supply these services financially independent, will help the economy and will have a [word indistinct] and educational effect.

It is important to point out that these increases in prices and fees will contribute to one of today's most important goals—namely, the reduction of the fiscal deficit. Consequently, the additional money collected will not, as a rule, remain for the most part within the companies or institutions. Rather, it will be included as part of the state's general budget as a circulation tax. This will also create a more favorable situation to progress toward the elimination of subsidies for losses and to gradually do away with this phenomenon.

It can be added that, despite the additional charge this represents for the family's economy and the harshness of the crisis we are experiencing, Cuban workers with modest salaries, thanks to the social policy of the revolution, spends less proportionately in housing, electricity, transportation, and basic staples than other Latin American workers.

Food supplies and other basic services supplied by the state will represent at most, after this reform, 43 percent of the minimum salary, while in Panama, the hemisphere's nation where this proportion is the lowest, it rises to 56 percent. [sentence as heard] In Cuba, more than 80 percent of the families own their house and only 10-15 percent of salary is paid as amortization. In the Latin American nation where this indicator is lowest—Honduras—rent is not under $105 a month for a modest two-room apartment. In the majority of the nations, as a rule, housing will cost as much as 50-60 percent of salaries. We must preserve and defend these gains and these realities over and above any circumstantial impediment.

Decree Law 149 on illegal enrichment and now these government decisions confirm the willingness to progress in a serene and decided manner toward the fulfillment of the policies outlined by the National Assembly of the People's Government, as well as the commitment to the full resolution of the problems we are facing.

We are looking at an extremely significant measure imposed on the people with regard to prices and fees, and this measure must be followed. When the time comes, other revisions must take place in the categories of prices and fees that even apply to the state itself. This is to stimulate greater efficiency and to [word indistinct] subsequent government decisions with regard to the [word indistinct] tax policy and other possible alternatives included in the arsenal of measures that this assembly approved.

In a flexible, intelligent manner, with the timely information and due explanation to the people, this decisive process will be implemented. We will not go half way. Our workers and the labor unions currently involved in holding meetings to achieve efficiency will undoubtedly unite around this effort to achieve greater production at a lower cost and with the best use of the scarce resources we have. This can be achieved through debate that [word indistinct] encourages comprehension and the firm support these decisions demand, the top goal of which is to contribute to defend our nation's independence and the revolutionary fatherland of the poor, by the poor, and for the poor. It is once again time to act as masters of our own destiny.

Matanzas Province Fuel Consumption Examined

FL2405140894 Havana Radio Rebelde Network in Spanish 0900 GMT 24 May 94

[Text] An increase in production and a more efficient use of fuels allocated to Matanzas Province have resulted, from the point of view of efficient energy use, in relative savings, which totaled 16,000 tons of conventional fuel by the end of April. This information has been confirmed by a survey conducted by the Matanzas office of statistics. The survey adds that consumption of energy resources has decreased by nearly 13,000 tons in comparison with the same period in 1993, while mercantile production has increased by 5.3 million pesos.

Statistics officials point out that only petroleum consumption was higher than projected, while there has been a decrease in electricity consumption of 7,000 megawatt-hours.

There are 35 enterprises in the province that have surpassed the electric consumption quotas. Among the enterprises that consume large amounts of energy, 25 have exceeded quotas—among them the rope and thread factory; the Martires leather factory in Caguasu; the meat complex; the metal-tooling factory; and the Cuba Libre, Juan Avila, Reinol Garcia, Mexico, and Jovellanos Farming Complexes.

More on Dates for Product, Service Price Changes

FL2405185294 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 94

[Text] As a reminder, next we reiterate the dates on which the new prices and fees on selected products and services established by accord of the Council of Ministers' executive committee will go into effect.

New prices for controlled-distribution cigarettes, rolled tobacco, beer, rum, brandy, and fuel for private vehicles will go into effect after the next sale cycle, which begins on 1 June.

New fees for electric service for homes will become effective on the basis of September consumption, which will be payable in October.

In the case of air and maritime transportation to and from the Isle of Youth, new prices will go into effect beginning 1 June. Likewise, new prices for interprovincial bus and railroad transportation will go into efffect beginning 1 September, as will the new national and international postal and telegraph prices.

Water service fees for homes will increase on October 1, while retail food prices at workers' cafeterias will change beginning 1 July.

We also want to remind you that the accord of the Council of Ministers Executive Committee includes provisional increases in coastal transportation fees where required. These prices will be set definitely on 1 January 1995.

Cuban-Arab Union Medal Awarded to 25 People

FL2405235794 Havana Radio Reloj Network in Spanish 1930 GMT 24 May 94

[Text] The 15th Cuban-Arab Union Anniversary medal has been awarded to 25 people for their respective contributions to the cause of those peoples.

In a solemn ceremony held at the Cuban-Arab Union office, Politburo member Osmany Cienfuegos received the medal on behalf of Jesus Montane Oropesa, aide to the Commander in Chief.

Among those who received the 15th Cuban-Arab Union Anniversary medal are Manuel Pineiro, Professor Rodrigo Alvarez Cambras, Sergio Corrieri, Eloy Valdes, and Caleb Salama. The post-morten award was also granted to 12 persons, among them Captain Felipe Diaz Tuma, Gaspar Garcia Gayo, Elias Cherria, Luis Melar, Rafael Abdala, Jorge Aceb, and Fajar Hamis.

Spanish Tobacco Company To Help Finance Next Harvest

PA2405232294

[Editorial Report] Havana Radio Havana Cuba in Spanish at 0000 GMT on 20 May 94 reports that the tobacco harvest concluded in Pinar del Rio with positive results in both quality and quantity. This year, production exceeded 15,000 tons of tobacco leaves. Such encouraging results led the Spanish Tobacco Company to sign an agreement with its Cuban counterpart to finance tobacco cultivation on more than 21,000 hectares in eight municipalities of Pinar del Rio next year. According to the agreement, the Spanish firm will provide the necessary equipment, fertilizers, and herbicides.

Dominican Republic

Pena Gomez Urges Balaguer To Resolve Crisis

PA2405224294 Paris AFP in Spanish 2034 GMT 24 May 94

[Text] Santo Domingo, 24 May (AFP)—Opposition presidential candidate Jose Francisco Pena Gomez of the Dominican Revolutionary Party (PRD) today warned President Joaquin Balaguer that the country faces serious "political, economic, and moral consequences" if the post-electoral conflict is not resolved promptly.

In a letter sent to Balaguer around midnight yesterday and distributed to the media today, Pena Gomez urged Balaguer "to adopt timely measures, in view of the delicate situation, to ensure a normal solution of the electoral crisis."

According to government sources, the letter was read to Balaguer early today and stated that "should the current conflict not be resolved in due time, it will inflict serious economic, political, and moral damage on the Dominican Republic."

Pena Gomez faced Balaguer, an 87-year-old seeking reelection to a seventh term, in the 16 August [month as received] general elections, which produced a serious crisis.

Pena Gomez contested the elections hours after the voting concluded and claimed that a "scandalous fraud" had taken place through various forms of information manipulation that prevented "200,000 citizens from voting because they were reportedly replaced by a similar number of official party followers."

In his letter, Pena Gomez told Balaguer that "we are convinced that you will, in view of this delicate situation, adopt timely measures to ensure a normal solution of the current electoral crisis."

Pena Gomez also denounced the refusal of most magistrates of the Central Electoral Board (JCE) to give the PRD the voter list sent to the electoral boards. This list was reportedly distorted at the JCE computer center.

As of today, the JCE has not yet proclaimed a winner in the elections, but Balaguer is leading Pena Gomez by 1.01 percent with 98 percent of the votes counted.

Pena Gomez told the media that he will reject a vote recount that the JCE will begin tomorrow if the voter list is not produced. The JCE refused to produce the votes list that the opposition is demanding. According to the PRD, this list reflects the fraud committed by Balaguer's followers.

JCE Board Chief Denies Runoff Under Consideration

PA2405174894 Paris AFP in Spanish 1618 GMT 24 May 94

[Text] Santo Domingo, 24 May (AFP)—Manuel Garcia Lizardo, president of the Central Electoral Board (JCE), today categorically denied that the thought of a runoff election was being considered because "the people have already voted." Garcia Lizardo thereby denied statements to the contrary, which were attributed to him by some news media.

Noting that the vote count will begin on Wednesday [25 May], Garcia Lizardo said: "The people have already voted. What is left to be done is assessing the people's vote."

In addition, JCE spokesmen recalled that the law does not call for an annulment of the elections or a runoff election. According to the law, the only action that could be taken would be holding partial or complementary elections in places where there were serious irregularities.

Presidential candidate Jose Francisco Pena Gomez called for a runoff election after alleging that a "scandalous fraud" was committed in the 16 May elections.

The JCE has not proclaimed a winner yet. However, following the count of 98 percent of the votes, President Joaquin Balaguer was ahead of Pena Gomez by 1.01 percent.

Haiti

Ambassador to Dominican Republic Denies Merger Plan

FL2405221494 Port-au-Prince Signal FM Radio in French 1030 GMT 24 May 94

[Text] Guy Alexandre [Haitian ambassador to the Dominican Republic] has firmly denied rumors that there is a plan to unite Haiti with the Dominican Republic. This alleged plan to reunify the two countries sharing the island of Hispaniola was strongly rumored last week by the partisans of outgoing Dominican President Joaquin Balaguer.

In a statement to the press this week, Ambassador Alexandre said he knows nothing about this alleged unification plan. In the middle of the grave post-electoral crisis being experienced by the Dominican Republic today, the pro-Balaguer sectors have set up an impressive campaign to highlight the dangers that would threaten the Spanish-speaking part in the event of a possible reunification. Alexandre noted the cultural and linguistic difference between the two peoples.

Nearly half a million Haitians, considered the poorest people in the American hemisphere, are living in the Dominican Republic where they work in the sugarcane fields and live in field buildings. Alexandre adds that he is satisfied because the Balaguer government took effective measures last October to prevent violation of the UN embargo against Haiti, which was reinforced on 21 May.

A UN mission, presided over by (Alexandre Martinovic), arrived in the Dominican Republic the middle of last week to ensure that the embargo, which some people use to amuse themselves by violating the Haitian-Dominican border, was observed. Observers accused several Dominican Army members of effectively contributing to the violation of the sanctions by authorizing the free transfer of oil products across the border.

These last months, several hundred Dominicans have made exceptional profits by trading gasoline to Haitians, in exchange for household items, slippers, and so on. The Dominicans are closely observing events that threaten Haiti—whether there will be a foreign military intervention in that country. The Dominican Army is extra watchful to prevent any violation of the embargo and a massive exodus of Haitians to the Dominican Republic, said an official source.

FRAPH Urges Mobilization To Oppose U.S.

FL2405163194 Port-au-Prince Signal FM Radio in French 1030 GMT 24 May 94

[Text] On 23 May, Haiti's main neo-Duvalierist group Revolutionary Front for the Promotion and Progress of Haiti, FRAPH, called on its militants to mobilize and oppose by arms any attempted U.S. invasion of Haiti. Emmanuel Constant, secretary general of this party, said during a news conference that in case of a U.S. invasion, FRAPH would automatically become the Haitian People's Armed Revolutionary Front [Front Revolutionnaire Arme du Peuple Haitien].

Condemning any and all invasion plans, Constant explained that FRAPH militants would fight invaders with machetes, sticks, and stones [if need be]. Claiming to draw its inspiration from the center-right but not from the extreme-right, which is made up of rich and heartless people, Constant asked the government of Provisional Presid[illegible] Emile Jonassaint—which is not recognized by the i[illegible] national community—to practice true, nonden[illegible]c social justice.

Constant also pointed out that UN Security Council Resolution No. 917, which imposes a total embargo on the country, calls for the resignation of Police chief Lieutenant Colonel Joseph Michel Francois, while the Governors Island agreement and the parliamentary plan for solving the crisis provided only for his transfer within the Army. Let us listen to Emmanuel Constant.

[Begin Constant recording] In spite of the gestures of good will made by all sectors in Haiti, including the political, people's, military, civilian, professional, and private sectors—and the parliamentarians surpassed themselves—the cartel made up of Aristide, Barnes, Casimir, and the Black Caucus wants to keep killing people by imposing a genocidal embargo on Haiti as of 21 May. The government of the president of the Republic, attorney Emile Jonassaint, must be able to restore order and discipline immediately so that social justice can reign in Haiti. His ministers—regardless of whether or not they have experience—should immediately effect administrative and judicial reforms and set up an emergency program aimed at helping the population, in view of this genocidal Resolution No. 917 of the UN Security Council. [end recording]

But this is not all. FRAPH's organization secretary made proposals to the Haitian Army. Let us listen.

[Begin Constant recording] FRAPH wishes the Haitian Armed Forces not to receive any foreign or local mediators, because the Army is a branch of the executive and cannot negotiate with itself. FRAPH wishes the military to work toward the professionalization of the Army and the improvement of the working and living conditions of Haitian soldiers, and to withdraw completely from this negotiation dossier. [end recording]

Demand Removal of U.S Ships

FL2405233494 Port-au-Prince Radio Metropole in French 1045 GMT 24 May 94

[Excerpt] [passage omitted] [Begin Constant recording] FRAPH [Revolutionary Front for the Promotion and Progress of Haiti] has askws the Clinton administration to remove the ships operating off the Haitian coast because of the country's volatile situation, and to avoid all defensive reaction from the population.

FRAPH commands all its supporters to closely cooperate with the Haitian Armed Forces during this period of hostility created by the threat of intervention: We are saying: Grenadiers to the assault. It is not important who dies. FRAPH says it hopes President Clinton and the United Nations realize that the crisis is political, not military. [end recording]

[Announcer] Furthermore, FRAPH denounces the new demands the United Nations is making of the military. The organization led by Emmannuel Constant states that the Governors Island agreement does not provide, at any point, for the departure of the police chief in Port-au-Prince nor of members of the Army General Staff, but in its most recent stand, the United Nations Security Council mentions the resignation of members of the General Staff. Moreover, Constant demands the withdrawal of the military from the negotiation file. The country now has a president in Justice Jonassaint, maintains Emmannuel Constant. FRAPH favors the professionalization of the Army and the separation of the police and the Army. FRAPH calls on the government of Justice Jonassaint to make reforms in public administration and to prosecute President Aristide and resigning Prime Minister Robert Malval.

[Begin Constant recording] FRAPH asks the executive to give the necessary orders for the examining office to issues summonses for the following citizens: Aristide, deposed president of the Republic of Haiti; Prime Minister Malval; Ambassador Jean Casimir; Attorney Michael Barnes, for embezzlement—see Mr. Malval's letter of 14 December 1994.

FRAPH solicits help for the Haitian state and the Haitian justice system from the Armed Forces and the forces of order in retrieving some of the administrative files that were taken by ministers of the Aristide/Malval government. As agreed, FRAPH hopes that the Ministry of Commerce will succeed in reducing the prices of essential products by 40 percent. Bravo. [applause] [end recording]

[Announcer] FRAPH also criticizes the international civilian mission, which it accuses of writing subjective reports. FRAPH asks the observers to stop their investigation on the human rights situation in Haiti. FRAPH claims it is center-right and denounces the extreme right in Haiti, which it calls opportunistic and without political vision.

Fifty Arrested for Attempting Clandestine Boat Trip

FL2405205694 Port-au-Prince Radio Metropole in French 1600 GMT 24 May 94

[Text] Some candidates for a clandestine trip were arrested in Petit-Goave. Fifty Haitians, who were getting ready to embark by boat to the Florida coast, were arrested by police. Those people, mostly peasants, were brought before the court over the weekend.

Members of the civilian mission went to the spot to investigate this matter. It should be noted that this was the first significant arrest of potential boat people since provisional President Justice Emile Jonassaint's announcemnt of his government's intention to suppress the departures of boat people. Orders were given to representatives of the Haitian justice system to apply the 17 November 1980 decree, punishing authors and accomplices of efforts to organize clandestine trips to foreign countries.

A clear upsurge in departures of Haitian boat people to the Florida coast was observed during the past few weeks, following the announcement by U.S. President Bill Clinton of a change in the procedure of direct repatriation of Haitian refugees. They must be authorized to seek political asylum in the United States, on some U.S. ships, or in some other countries. These new measures have not gone into effect yet, however.

Jonassaint Government Appoints Ministry Directors

FL2405155594 Port-au-Prince Radio Metropole in French 1045 GMT 24 May 94

[Text] Fifteen days after its appointment, the provisional government of Judge Emile Jonassaint is proceeding to set up Jonassaint's leadership team at the head of the public administration. A number of new appointments have been made, to replace the Malval government's government employees. New directors general were appointed to head three ministerial departments, and a new rector was designated to head the National University of Haiti.

According to a presidential decree made public last night over Television Nationale, the latter is Doctor (Chavannes Douyon), who replaces Professor Roger Gaillard. Also, (Elie Nicolas) is appointed director general, Ministry of [Public] Health [and Population]; (Lionel Duvalsin) director general, Ministry of Public Works, Transport, and Communications; and (Diderot Belizaire) director general, Ministry of National Education [,Youth, and Sports].

It should be recalled that resigning Prime Minister Robert Malval asked government employees not to respond to instructions from the Jonassaint government, and to remain at their posts.

St. Kitts and Nevis

Financial Officials Urge Caution Regarding NAFTA

FL2505004694 Castries HTS Caribvision Television in English 1945 GMT 24 May 94

[Text] The [word indistinct] sector in St. Kitts-Nevis has received a boost, with the establishment of a new lending institution on the island. We get the details from (Via Gallaway):

[Begin recording] [(Gallaway)] The prime minister, the right Honorable Dr. Kennedy Simmonds, while delivering an address of the opening of the new branch of the Royal Bank of Canada said that the commercial banks in St. Kitts and Nevis play an important role in the overall developmental thrust through the wide array of banking and financial services they provide. He commended the Royal Bank of Canada for the confidence it has placed in the continued growth of the economy, adding that it has helped to provide a variety of modern conveniences. He also attributed to the solid performance of the economy over the past decade and our strong infrastructure base on the policies of his government.

[Simmonds] All of these entities have been effected from the very liberal [word indistinct] regime and the [words indistinct] investment climate that my government has created through variety of creative fiscal and economic policies. In fact, my government is now providing new incentives for companies to undertake developments of this nature. Hence, the 1994 budget provides that companies may now enjoy capital allowances in respect of new commercial buildings, the construction of which commence on or after matched across 1994. Hence, as I said [words indistinct] company limited and other companies continue to invest and expand, we will enjoy additional tax relief.

[(Gallaway)] Meantime, the vice president for the Barbados and Eastern Caribbean area, Mr. Douglas Maloney, said that the reason for the establishment of the bank was trade. The Royal Bank of Canada had begun life as the Merchants Bank of Halifax. At the turn of the century, the merchants found many opportunities in a [word indistinct] trade financing between Canada's maritime provinces and the Caribbean. He said at the time, sugar, cotton, and spices were being traded and the Royal Bank was kept busy providing banking services to importers and exporters on all of the islands. Governor of the Eastern Caribbean Central Bank, Mr. (Dwight Brenner), said a great deal of concern is being expressed about impact of the North American Free Trade Agreement, NAFTA, on our economies. He disclosed that in the OECS [Organization of Eastern Caribbean States], you have to be very careful to continue to maintain a rational approach in matters of this kind and not succumb to the [word indistinct] "Join at all Costs" imperative, which Mr. Brenner noted seems to be the case elsewhere in the region.

[(Brenner)] In a situation where some countries are claiming to be NAFTA eligible, we in the OECS have to remember two things: firstly, that in the new atmosphere of trade and financial liberalization, [words indistinct] national economy, countries must prepare themselves to be internationally competitive, whether there is a NAFTA or there is not. Secondly, a competitive environment is based on getting the economic fundamentals right. And in this area, the OECS countries have done remarkably well for countries of their size.

[(Gallaway)] The new branch of the Royal Bank of Canada is located at the [word indistinct] Complex on Wellington Road. I am (Via Gallaway) reporting for the Caribbean Evening News.

Honduras

Panama's Endara Comments on Meeting With Gore, Canal

PA2405172394 Tegucigalpa Voz de Honduras Network in Spanish 1420 GMT 24 May 94

[News conference by Panamanian President Guillermo Endara with unidentified reports upon arriving at Toncontin Airport in Tegucigalpa; broadcast in progress—live]

[Text] [Endara] ...the future discussion. My case is unique because I am attending the preparatory meeting, but another person will attend the summit. Ernesto Perez Balladares, who will be president then, will attend the summit in December.

[Reporter] What is Panama concerned about specifically?

[Endara] We are basically concerned about what concerns all Central Americans. We want to be treated equally, as friends of the United States.

[Reporter] [Words indistinct] for example the pressures of international organizations on these countries. Do you think those pressures should not exist?

[Endara] I think there should be equality. We should be given the same benefits given to Mexico, for example. That is what we think.

[Reporter] The canal treaty with the United States concludes in 1999. Will it be renegotiated?

[Endara] As far as I am concerned, from the start of my term I emphatically said there would not be a renegotiation. I think that the political position of Perez Balladares.... [pauses] I know he should be the one to express it, but in any case, I understand that his position is the same as mine on this topic. There will be no renegotiation, the canal treaty will be fulfilled, and at noon on 31 December 1999 the canal will be turned over to us.

[Reporter] Southcom [U.S. Southern Command] continues in Panama?

[Endara] Southcom continues in Panama, but I must say that next week I will attend a ceremony that I have never attended before. Military events are frequently held on the canal bases, and the only one I have agreed to attend is one next week during which the first brigade is pulling out of Panama for good. It is the first withdrawal of troops from Panama, and I will be very happy to attend this event because as a Panamanian it is a very important moment.

[Reporter] What base [words indistinct]?

[Endara] It is not a base. It is a brigade, an infantry brigade.

[Reporter] Is Panama interested in joining Central America to be part of NAFTA?

[Endara] I, President Endara, only have three months left in office, and I think this is how it should be. The best way for Panama to join NAFTA is through Central America. This is advisable for Panama and for the Central Americans. Unfortunately, I have heard a different opinion from my successor. I think President-elect Perez Balladares believes that, because Panama has had such an important bilateral relationship with the United States throughout its history, perhaps better results could be obtained individually. I think he is mistaken, but, in any case, he is the one who is going to be president of Panama. Let us hope he will change his opinion, because I think he is mistaken.

[Reporter] Is your opinion, which is different from your successor, dangerous in Panama?

[Endara] No, [laughs] I hope not. One of the greatest achievements of my administration is the establishment of full freedom of opinion in Panama. In Panama, there is full freedom. You should see what reporters say about me. They have every right, and I support them 100 percent. I think this situation is irreversible. No one can change that. Perez Balladares has promised to maintain the same situation. I will continue to give my opinion with full freedom, as all Panamanians do now and, I am sure, will continue to do so in the future.

[Reporter] Are you going to bring up the canal issue with Vice President Gore?

[Endara] I do not know whether we are going to have time to discuss bilateral topics. Above all, we are going to address multilateral topics. We have to study some recent remarks by President Clinton regarding the provisional organization that will exist in the canal until 2000, when the canal is turned over to us. I do not want to negotiate or discuss this at this time because President Clinton has just issued the statements. I have my foreign affairs advisory commission and the Panamanian representatives in the Canal Commission analyzing Clinton's opinion about the new organization of the canal until 2000. I do not want to issue an opinion until I receive proper advice on what position Panama should adopt. Panama's position has to be thoroughly studied.

[Reporter] Who will guarantee the security of the canal after 2000, because there will be no gringos or Panama Defense Forces?

[Endara] Look, the canal is defenseless. It is like a newborn baby. Any world power that wants to destroy it can do so even if the gringos and Russians are in the canal together. Therefore, the canal is defenseless. Now then, whatever must be defended in the canal can very well be protected by a police specialized in terrorist attacks. That is all that must be done. A police force can protect the canal perfectly well.

Nicaragua

Government Backs UN, OAS Measures Against Haiti

PA2405184694 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 24 May 94

[From the "National Newscast"]

[Text] A Nicaraguan Foreign Affairs Ministry statement maintains that Nicaragua, as a UN member, is backing the measures adopted by the UN Security Council against Haiti's de facto military government, which is ruling that country. Nicaragua also backs the OAS measures and flatly rejects the human rights violations by the coupist military leadership.

Chamorro, Cardinal Talk on Sandinist Congress

PA2505030694 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 22 May 94

[Report on news conference by President Violeta Chamorro and Cardinal Miguel Obando y Bravo with unidentified reporters; place and date not given; from the "National" Newscast—recorded]

[Text] [Reporter] What is your opinion on the Sandinist Congress?

[Chamorro] Speaking as a simple citizen, I think the Sandinist Congress met as any political party would meet. Each party must deal with its own problems.

[Reporter] But who is your candidate, Daniel Ortega or Henry Ruiz?

[Chamorro] Young man, I do not have a candidate in any party. This development is fine as long as we consolidate the new democracy with the help of conservatives, liberals, social Christians, Sandinists, and [words indistinct]; as long as it is done for Nicaragua's sake.

[Reporter] Do you think the contradictions within the Sandinist National Liberation Front are real or just a smoke screen?

[Chamorro] I really could not say. God willing, they will benefit everyone. Everyone has a right to speak freely, to say what he likes. This is a party—I repeat—just like the liberals, conservatives, and social Christians. They should reach an agreement for the country's benefit. I think unity equals strength. I do not think anyone should (?perpetuate himself), however.

[Announcer] Cardinal Miguel Obando y Bravo also commented on the Sandinist Congress:

[Obando y Bravo] They will always be united and will try to attain power in the next term. Nothing else will happen. For the time being, there can be only criticism from and tension created by the media.

[Announcer] Dona Violeta was questioned about the possible presidential candidacy of Engineer Antonio Lacayo:

[Chamorro] [Words indistinct] informed, but he has not said so. He has not told me. Anyone who wishes to run should do so.

[Reporter] But would you support him?

[Chamorro] I cannot answer that yet.

Economic Cabinet Asks for More Aid

PA2405232394

[Editorial Report] Managua BARRICADA in Spanish published a report on 17 May 94 pp 1, 7 that says the economic cabinet on 16 May formally asked the diplomatic representatives of donor countries for $180 million in additional aid for the next three years. Presidency Minister Antonio Lacayo said the additional funds would result in higher economic growth rates. In the meeting, the government presented to the community of donors a report on progress made toward the democratization and macroeconomic stabilization process. It highlighted the demobilization of the 3-80 Northern Front, the constitutional reform process, and the conclusion of the Enhanced Structural Adjustment Facility, ESAF, negotiations. Lacayo said Nicaragua is requesting additional resources, not in donations but in credit lines in the medium and long term to help the country's financial system.

Panama

Clinton Proposals on Canal Termed 'Positive'

PA2405192594 Panama City LA PRENSA in Spanish 24 May 94 p 5A

[Report by Manuel Alvarez Cedeno]

[Text] Cecilia Alegre, Panamanian member of the Canal Commission, has described as positive the recommendations made by President Bill Clinton establishing a series of changes to the law that regulates the canal in order to permit its orderly transfer to Panama on 31 December 1999. Clinton sent to the U.S. Congress a series of recommendations on the Canal Commission legislation, including one on tolls.

Alegre said the initiatives are positive because most of them include the majority of the recommendations made by the Canal Commission's Board of Directors to the U.S. Administration a few months ago. "I would say that, in general, they are positive because they change the Commission to meet the needs of the canal traffic, making it more flexible for maritime commerce demands, giving the board more power to make needed changes, and better preparing the Commission for the transition," she added.

The Canal Commission is a U.S. federal agency whose board of directors is made up of five North Americans and four Panamanians. According to the 1977 Torrijos-Carter Treaties, the canal will be totally in Panamanian hands on 31 December 1999.

Alegre said the Canal Commission presented its recommendations to Leon Panetta, director of the U.S. Office of Management and Budget. The majority of Clinton's recommendations "agree with ours," Alegre reiterated.

Clinton recommended that the process to establish tolls be carried out by the Canal Commission, not the U.S. president.

Legislators Favor Canal Proposal

PA2405192294 Panama City EL SIGLO in Spanish 24 May 94 p 12

[Article by Betty Wendy Mendieta]

[Text] Mario Boyd Galindo and Alonso Fernandez, legislators who form part of the Foreign Relations Committee, pointed out that President Bill Clinton's statements on the transfer of the canal to Panama hit the nail on the head, while adding that it is necessary to make certain amendments to the Torrijos-Carter Treaty.

Legislator Alonso Fernandez acknowledged that the treaty should undergo certain amendments because it was not discussed by the people. Meanwhile, Legislator Mario Boyd Galindo said anything that tends to ease the transition of the Panama Canal to the Panamanians is appropriate.

It can be pointed out that, according to Legislator Alonso Fernandez, the amendments to the Torrijos-Carter Treaty should be negotiated between the Panamanian president and the U.S. President. Meanwhile, Legislator Mario Boyd Galindo believes President Bill Clinton is giving Panama the importance it deserves because it is of vital importance for U.S. trade.

"Clinton's statements are very forceful because he knows very well that many Panamanians want the treaties to be amended, Legislator Alonso Fernandez indicated. Legislator Mario Boyd Galindo said: "The proposals made by President Bill Clinton to Congress to reorganize the Canal Commission's corps are fitting and necessary."

Agreements With Colombia on Immigration Noted

PA2505020994 Panama City LA ESTRELLA DE PANAMA in Spanish 22 May 94 p 2

[Report by Esteban Huertas G.]

[Text] Yesterday, Colombian Foreign Minister Noemi Sanin de Rubio stated the two nations approved an agreement to legalize the immigration of approximately 15,000 citizens who have not processed their documents during the fifth meeting of the Neighboring Commission between Panama and Colombia.

Sanin de Rubio stressed "that this agreement will be in effect for citizens who arrived in Colombia or Panama two years ago." She also noted that "in the next two months, authorities will clearly demarcate the boundary stones on the Colombian-Panamanian border," which have not been inspected for years.

The border between the two nations is 263 km long and it only has 14 boundary stones. At the meeting, it was agreed to increase the number of stones to improve the border area. The work to establish the boundaries will be conducted by a joint commission, but the date has not yet been set. It was learned that the work might take place in the summer of 1995 when the two governments will verify the limits.

The meeting between the two governments included several agreements in which COPA, Avianca, and SAM airlines agreed to several exchanges. Colombian and Panamanian hotels signed a similar agreement.

Meanwhile, the Kuna Yala and Embera-Wounaan general congresses criticized the Neighboring Commission meeting because Indian representatives were not invited to discuss the opening of the Darien Gap.

The Indian population will be affected by the construction of the Inter-American highway, the railroad, drug trafficking, health issues, biodiversity conservation, and the environment.

The Indian chiefs questioned the meeting of the governments of Panama and Colombia because the rulers of these nations are not familiar with the situation of the Darien and Kuna Yala region. Only the Indian population, which has lived there for more than 500 years, know it.

Jose Luis Sosa To Head Security, Defense Office

PA2505003994 Panama City LA PRENSA in Spanish 23 May 94 p 2

[By Vilma E. Figueroa B. and Hermes Sucre Serrano]

[Text] Jose Luis Sosa, who is currently one of the representatives of the president-elect in the transfer of power commission, will be the director of the State Security and National Defense Office in the administration that will be inaugurated on 1 September.

Currently the Public Security and National Defense office, led by Menalco Solis, former planning minister of the military regime, is made up of a specialized brigade that uses very modern communications equipment to keep President Guillermo Endara informed of everything that is taking place in the country.

A source linked with President-elect Ernesto Perez Balladares announced that tomorrow, Tuesday, Sosa and Gabriel Lewis Galindo, future foreign minister, will travel to Washington to meet with ranking U.S. Government officials. The Panamanian delegation will also

meet with U.S. senators and businessmen to discuss topics related to economic and political relations between the two countries.

Sosa, an experienced businessman, and Francisco Sanchez Cardenas represent Perez Balladares in the commission for the transfer of power. Eduardo Linares and Joaquin Fernando Franco represent the government in the commission.

In addition to the security office, the Presidency of the Republic maintains the members of the Institutional Protection Service (SPI), which is charged with guarding the Palace of the Herons presidential palace and other state offices.

There are supposedly installations with computerized equipment in Amador that permit state security members to compile data and general information on different areas and topics.

Argentina

Menem Confirms Security Secretariat Arguments

PY2405151394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1516 GMT 23 May 94

[Text] Buenos Aires, 23 May (NA)—On 23 May, President Carlos Menem conceded that the disagreement that broke out in the cabinet over the establishment of a Secretariat for Community Protection "may affect the Constituent Assembly," but only "marginally," he hastened to add.

Menem acknowledged that "there were some arguments" over the issue of the secretariat, although he made it clear that "there is no confrontation" and that activities "are going on as usual."

The head of state commented that "this situation will affect the Constituent Assembly, but not in a major way; it will have only a slight, practically insignificant bearing on the assembly." He confirmed that he will attend the opening session to be held in Parana [Entre Rios Province] on 25 May.

Menem did not rule out that "as in any election campaign, an offense of defamation, insults, and slander will be launched."

He noted that newspaper headlines, which reported on controversies within the cabinet, "will have some effect on people's way of thinking," but he stressed that "this does not influence the working of the administration in the least because there were only arguments, and not confrontations as the media reported."

The president labeled the arguments within the cabinet "normal," "especially in a government like this, in which changes are really dramatic." Hence, one "should not be surprised or alarmed."

With regard to the Secretariat for Community Protection, Menem said it will be "like any other thing that was established at cabinet level, many of which came directly under the jurisdiction of the president."

Menem, speaking on the La 9.90 radio station this morning, said "it is a secretariat like any other. The problem lies in the fact that there are eight laws on security, and they must be made compatible with the areas in which they are inserted."

He pointed out that the government "has been working" on the establishment of this secretariat "for a year." He nevertheless conceded that "perhaps information about the subject was deficient; some hasty words were uttered, and the events that are now public knowledge supervened."

Notwithstanding this, he reiterated that "these kinds of organizations pertaining to people's security already exist in the leading countries of the world, and it never crossed their minds to think they are like the Gestapo. These words (Gestapo-KGB) are used in the world of politics to stir up uneasiness among citizens," he added.

Menem again said that "once the law on ministries is amended following the constitutional reform, there will be a new ministry that will be entirely and exclusively charged with ensuring that the community is protected."

He went on to say that "those who feel ill at ease are obviously the ones who are going to wield less power and are therefore trying to create problems in the community."

The head of state believes that "those who are openly against the establishment of this secretariat are those whose actions seek to destroy the peace that reigns in Argentina, cause problems for democracy, and hamper the complete freedom we enjoy in our country."

Fishing Agreement With EU Signed in Brussels

PY2405163394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1303 GMT 24 May 94

[Text] Brussels, 24 May (AFP-NA)—On 24 May, the European Union (EU) and Argentina signed a fishing agreement pursuant to which a certain number of ships sailing under the EU flag are authorized to fish in Argentine territorial waters, while shipowners from both signatories will undertake joint ventures.

This is the first fishing agreement ever signed between the EU and a Latin American country. It will be initially effective for five years, and may possibly be automatically renewed for two more years.

The agreement was officially signed in Brussels after it had been accepted by the fishing ministers of the 12 EU member countries in October 1993 and ratified by the European and Argentine parliaments. The UK had abstained from voting last October due to its controversy with Argentina over the Malvinas islands.

The agreement provides that the EU is allowed to fish a quota of 120,000 tonnes of hake and 130,000 tonnes of other species (including squid and codfish) in Argentine territorial waters.

The number of fishing boats from the EU that will be able to operate in Argentine territorial waters amounts to 70, 20 of which will sail under the flag of one of the EU member countries, which will have rights to one-third of the quota granted by the Argentines.

The other 50 boats, which will be able to catch the remaining two-thirds of the quota, will sail under the Argentine flag, but will belong to joint ventures between EU and Argentine shipping companies or to Argentine companies funded by foreign capital.

The EU commits itself to reducing its customs duties (from 15 percent at present to 5 percent) on fishing products through annual import quotas.

The EU is to contribute 162.5 million ECU's ($187 million), of which 28 million ECU's ($32.2 million) will be earmarked for streamlining Argentina's port facilities, the funding of research programs, and professional and technical formation of Argentine fishermen.

EU sources have reported that by signing these agreements, the EU seeks to diminish fishing activities in its own territorial waters to stave off possible depletion and intensify exploitation in those territorial waters that are underexploited.

Navy Says Fishing Boat 'Sunk by Its Own Crew'

PY2405133394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0113 GMT 23 May 94

[Text] Buenos Aires, 23 May (NA)—Today, the Foreign Ministry said that control operations carried out by the corvette Spiro against a Korean-flagged [as received] ship fishing illegally in Argentine waters were carried out "in accordance with international law and in coordination with the Foreign Ministry."

The Foreign Ministry thus approved the intervention by the Argentine corvette when it discovered the Korean ship Chin Yuan Hsing violating Argentine jurisdictional waters on 21 May.

The Argentine Navy reported today that the corvette Spiro stayed near the Korean ship "given the adverse weather conditions, and fulfilling its responsibilities of sea search and rescue."

The Korean ship, which had been fishing illegally in Argentine waters, was sunk by its own crew after failing to answer to the Argentine ship's warnings.

The crew was transferred to the Chin Chuan Hsing, which was sailing nearby and approached to rescue the crew of the sinking ship.

The Navy reported that around 15 nautical miles off the coast of Malvinas and "in accordance with bilateral agreements with Great Britain, the Spiro transferred assistance responsibility to British authorities."

The Foreign Ministry said "an understanding with the UK for operations in cases of uninterrupted persecution of illegally fishing ships was implemented."

The Foreign Ministry also said the policy "is in accordance with the growing international opinion currently giving priority to the preservation, regulation, and the sustainable use of marine live resources and the effective punishment of violators of national laws on the matter."

Continental Glaciers Boundary Plan Viewed

PY2505031494 Buenos Aires CLARIN in Spanish 23 May 94 pp 46, 47

[Article by "special correspondent" Mario Brigando in Rio Gallegos]

[Excerpt] On 31 May, the Latin American Arbitration Court will close the so-called "allegations phase" involving Argentina and Chile, and will be in a position to issue an unappealable ruling before the end of the year on the final boundary in Laguna del Desierto, an area where slightly more than 530 square kilometers are under dispute.

It happens that, without congressional approval on both sides of the Andean mountains, the agreements signed in 1991 by then-Chilean President Patricio Aylwin and Argentine President Carlos Menem, which resolved 22 points under dispute between the two countries, but did not manage to untie the "Gordian knots" involving the lake and the Continental Glaciers, paved the way for international arbitration.

Some diplomatic researchers speculate about the inexorably looming shadow of an "arbitration compensation" to settle the disputes with Chile. The researchers interpret that there are conditions for the court to recognize Argentine sovereignty in Laguna del Desierto. Nevertheless, based on the right, following the 1984 agreements on the Beagle channel, to submit other areas under dispute to the Arbitration Court, without a right to veto and with unappealable rulings, the researchers note that it would be a miracle if Chile does not submit the Continental Glaciers issue to international courts. This issue has been bogged down in the Argentine Congress since 1991.

Following a Foreign Ministry request, now that the arbitration ruling is forthcoming, provincial authorities wisely chose to remain silent. Nevertheless, the experts note that Chile keeps the Glaciers card up its sleeve. The experts note that this alternative would actually allow the approval of the Aylwin-Menem agreements through some compensation mechanism to establish the "polygonal line" [not further specified] as the border between the two countries. Many people in this part of the country believe such a ruling would involve Argentina's loss of "the key" to the Continental Glaciers.

As confirmed by maps and geographic charts, the area under dispute was sovereign Santa Cruz (Argentina) territory between the 1902 arbitration and 1965. The "official history," which is very well known by Santa Cruz residents, particularly confirms this fact.

The 1902 arbitration had an adventurous side: Sir Thomas Holdrich, a British citizen appointed by His Majesty Edward VII to establish the borders between Argentina and Chile, buried a Dutch gin jug as a group of assistants looked on in surprise. The landmark was established at 72 degrees 47 minutes latitude west. Henceforth, it was established that from that point, called landmark 62, to the Fitz Roy Mount the border between Argentina and Chile would pass through the high Andean mountain peaks, the local water divide (lines that meet without cutting across rivers). [passage omitted]

Bolivia

Deputy Predicts 'Unbridled Reactions' Over Coca Decree

PY2405152794 Cochabamba LOS TIEMPOS in Spanish 14 May 94 p A2

[Text] La Paz, 13 May (LOS TIEMPOS)—Deputy Ramiro Barrenechea, of the Pachacuti Axis Movement, has said that the supreme decree authorizing the industrialization of coca leaves is further evidence of the government's inopportune actions, as it breaks all existing laws by penalizing the use of this product.

He added critically that "this decree proves that the only thing the government wanted in the negotiations (with the COB [Bolivian Labor Federation]) was to delay the resolution of this central problem. It is a deliberate lie, because when the lifting of the highway blockade was conditioned on the issuance of the decree, it was said that the text of the decree would be the one that was drawn up with the peasants, who honestly and loyally lifted the blockade. The peasants believed the government's word, but the government has now done exactly the opposite."

He added that this decree penalizes coca leaves and goes far beyond Law 1008, because while this law made no provisions on the subject, such provisions have now been made. We can see that the agreement that was reached with the peasants was ignored, based on a decision by the U.S. Embassy which said that it would not permit implementation of a different policy for coca, and this is what we are now seeing.

He said that "this is an unbelievable provocation, because the government could have said this before. Instead, it has deceived peasants with a decree that despite enforcing the regulations that were agreed upon, has also penalized coca."

To justify his assertion, Barrenechea mentioned Article 2 of the decree, which reads: "The regulations approved by this decree apply to legal coca, and do not entail the legalization of coca. Specific quantities of coca leaves should be industrialized in the traditional zones that are described in Article 9 of Law 1008."

The government should have been more sincere, and should have said that it did not need to debate with peasants, as there is an order that must be fulfilled no matter the agreements we may have reached, Barrenechea said.

He added: "This decree will probably cause a wave of unbridled reactions by peasants, because maintaining that a government position can be negotiated is very different from accepting a proposal, finding consensus on it, and then doing exactly the opposite. It is like a hidden dagger carried by those who are not sure even of their own program."

Correction to Minister Against Legalization of Drugs

PY2005180994

The following correction pertains to the report headlined "Ministers Speak Against Legalization of Narcotics," published in the 20 May Latin America DAILY REPORT, page 25:

Column two, paragraph seven, second sentence make read: ...run parallel: Interdiction should not be conducted without crop substitution, nor should the latter take place without drug enforcement. The two should be part of an.... (rewording for clarity)

Brazil

U.S. Official Supports Economic Plan

PY2505011994 Sao Paulo AGENCIA ESTADO in Portuguese 1823 GMT 24 May 94

[Text] Sao Paulo, 24 May (AE)—A luncheon hosted by Sao Paulo State Federation of Industries [FIESP] leaders for U.S. Treasury Assistant Secretary Lawrence Summers and Finance Minister Rubens Ricupero has just ended. The business people voiced satisfaction with the support shown by Summers for the Brazilian stabilization program.

Businessman Luiz Fernando Burlan of the Sadia Company said: "Summers came here as a U.S. Government representative and it is our impression that it is truly committed to Brazil. I for one was surprised by the way in which he conveyed the U.S. support for the plan."

Businessman Antonio Ermirio de Moraes said: "Summers has demonstrated that he has confidence in the plan."

Most of the business people who attended the luncheon ruled out the possibility of an outburst of consumption in the short term.

Changed Foreign Trade Policy on Mercosur Noted

PY2405122894 Sao Paulo AGENCIA ESTADO in Portuguese 1814 GMT 23 May 94

[By Renata de Freitas]

[Text] Sao Paulo, 23 May (AE)—The Brazilian Government is giving signs that it has revised its foreign trade policy. With seven months remaining before the institutionalization of the Common Market of the South (Mercosur), Finance Minister Rubens Ricupero recently defended the Brazilian role as a "global trader," and argued that "the regional level is less attractive" for the country. He said integration into the Southern Cone is still a priority for Itamaraty "as long as it promotes an open regional organization with a liberalizing outlook."

According to Benoit Medeiros, the Brazilian under secretary for integration, Brazil has adopted "a dose of

pragmatism and realism" in its foreign policy. He defines the various areas of Brazilian foreign trade policy as "concentric circles." Mercosur fits within the South American Free Trade Area (SAFTA), which in turn fits within hemispheric integration. Medeiros noted, however, that Brazil is "neither interested in, nor capable" of now joining the North American Free Trade Agreement (NAFTA).

Medeiros assigned the same degree of priority to both SAFTA and Mercosur, a position which is different from that conveyed by Rubens Barbosa, who was in charge of integration until late last year. Barbosa said "Mercosur continues to be the priority for Brazilian foreign trade policy" and that, despite reflecting a very significant idea both politically and economically, SAFTA should be left for the next government. "A growing priority is being assigned to Mercosur," Barbosa said.

Professor Paulo Casella, the creator of a course on economic integration law at Sao Paulo University, has identified the first signs of change in Itamaraty's policy, and criticized the lack of consistency. He said: "No program may be left entirely to political intiative because politics is extremely volatile." He added that there is "a risk of wasting many years of effort."

The revision in Brazilian foreign trade policy has taken place following the Uruuguay Round of the GATT talks, that is, since GATT approved a global trade policy. The reduction of import duties reduced the significance of regionalization. In Casella's opinion, "Mercosur is in no way a straitjacket."

The American Chamber of Commerce, which consists of more than 800 affiliated companies, does not view NAFTA as a stumbling block for the Brazilian global strategy, either. "One can move on all fronts at the same time," argues journalist Brian Nicholson, who wrote an editorial commentary entitled "Today the World; Tomorrow NAFTA?" published recently in a bulletin of the Chamber.

Ricupero said the diversification of Brazilian foreign trade has been "impressive." Brazilian trade can be broken down as follows: 26 percent with Europe, 24 percent with Latin America, 20 percent with the United States, and 16 percent with Japan and Asia. He noted that there are 200 significant export items. Medeiros said "the idea that multilateralism and regionalism are incompatible is false." He noted, however, that this is true as long as there is "a liberalizing regionalism."

Srategic Affairs, Intelligence Policies Viewed

PY2405144094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 May 94 p A14

[Article by Marcio Moreira Alves: "Strategy and Spying"]

[Text] The National Defense Committee of the Chamber of Deputies has a brilliant group of advisers, some of them former Armed Forces officers who took the exams to join the legislative branch. Thanks to this group, seminars on matters of strategic interest are organized every few months with the cooperation of centers of civilian studies. The last seminar took place this week, and its theme was the use of intelligence services in a democratic society.

The Center for Strategic Studies [CEE] of the Strategic Affairs Secretariat, which is under the Presidency of the Republic, is also seeking new horizons. The CEE, which is associated with the Nucleus for Interdisciplinary Analysis of Policies and Strategies [Naipe] of Sao Paulo University, organized the First National Meeting of Strategic Studies. It will take place at the former National Intelligence Service [SNI] school in Brasilia from 25 to 27 May. Admiral Mario Cesar Flores will preside over the opening ceremony. Among the lecturers are former chiefs of the military regime, such as General Carlos Meira Mattos, and intellectuals who opposed the military regime, such as Aspaisa Camargo, Rene Dyfuss, and Luciano Martins, in addition to diplomats and ministers. It will be a pluralist meeting of some of the people who have stood out in the last few years for their devotion to the study of Brazilian matters.

In commenting on the meeting, the organizers say: "In the last few years, it has been noticed that there are shortcomings in the exchange of ideas and in the interdisciplinary debates about methodological progress in strategic studies in Brazil. The CEE and Naipe therefore decided to unite and promote a meeting of people who are interested in studying strategic matters."

The effort to reorganize the intelligence, counterintelligence, and strategic analysis of the government is not simply a result of the dismantling of the National Security Council and the former SNI, which were promoted during the Collor administration and officially held responsible for embezzlement and other crimes committed by the former "service." It is also a result of the call for openness imposed by the consolidation of the democratic process.

Democracy and the organs that gather information and design strategies are not opposed to each other. All democracies have their services, which report to special congressional committees and to the president of the Republic. Their task includes the preservation of the territory and the economic, scientific, and military interests of the nation from declared or potential enemies, and also from friends.

During the Cold War, Western intelligence services got tired of spying on each other. Once the Cold War was over, they set new goals. In July 1880 [as published], then CIA Director William Webster said: "We want to be informed about new trends, national and regional resources and limitations, financial transactions, and technological progress. This makes us search, either officially or clandestinely, for the economic information that our politicians need to make prudent decisions and

to make competition as fair as possible. We need to know what our competitors do in order to face them or reject them." CIA spokesman Mark Mansfield added: "In the future, our efforts will concentrate on three areas: economic capacity and economic restrictions, commercial and financial strategies, and technology."

Today, Brazil, which is a midlevel power, has nothing in the area of intelligence, counterintelligence, and strategy, among other reasons because almost no one is thinking on a long-term basis. Three months are long term for most politicians, while 15 years are short term for a Japanese enterprise. The only exceptions are the Armed Forces and the Foreign Ministry. This is why these two institutions are trying to use university resources, which concentrate much of the knowledge that they need. The meeting in Brasilia is part of that effort.

Amendment Reduces Presidential Term to 4 Years

PY2505024894 Sao Paulo AGENCIA ESTADO in Portuguese 2342 GMT 24 May 94

[Report by Antonio Marcello and Pamela Nunes]

[Excerpt] Brasilia, 24 May (AE)—The next president of the Republic will be elected for a four-year term and will not be able to seek reelection. The Constituent Congress today approved for the second time a constitutional amendment that reduces the presidential term from five to four years. Of the 357 congressmen in attendance, 323 voted in favor of the amendment, 29 voted against it, and five abstained. The possibility of an incumbent president seeking reelection already had been denied during the first vote taken on the issue. [passage omitted]

PPR Names Candidates for Presidential Ticket

PY2505024594 Sao Paulo AGENCIA ESTADO in Portuguese 2207 GMT 24 May 94

[Report by Diana Fernandes]

[Excerpt] Brasilia, 24 May (AE)—The Progressive Renewal Party [PPR] convention today approved the nomination of Senator Esperidiao Amin of Santa Catarina State and former Sao Luiz Mayor Gardenia Goncalves as candidates for president and vice president on the PPR ticket. [passage omitted]

Lula's Use of Union Van Seen as Electoral Violation

PY2505021194 Rio de Janeiro O GLOBO in Portuguese 24 May 94 p 1

[Text] One day after the Sole Workers Center [CUT] decided in its national congress that it can neither support nor aid the Workers Party [PT], PT presidential candidate Luis Inacio Lula da Silva campaigned on 23 May outside factories in the Sao Paulo ABC region from a loudspeaker-equipped van owned by the CUT-affiliated metalworkers union. On 23 May, Lula, who said earlier he is against CUT support, stated it is up to the workers to decide who should use the van. In the opinion of electoral specialist Antonio Carlos Mendes, Lula violated electoral laws.

Chile

Frei Delivers State of Nation Address

PY2405184294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2000 GMT 21 May 94

[State of the nation address by President Eduardo Frei Ruiz-Tagle at the opening of the 1994 congressional period in Valparaiso—live or recorded]

[Excerpts] [monitored in progress] ...and has been built during our democratic life. I have come to this Congress with an open and confident spirit. I am not unfamiliar with Congress. I came from it. I know its virtues and limitations. The presidential system of government believes Congress is a place for real encounter and cooperation. Great Chilean congressmen have contributed under that political system. [passage omitted]

What is the basic idea this president wants to convey to this sovereign assembly at the beginning of his administration?

I have come to assert that Chile has a great historic opportunity. I have come to invite the country to take this opportunity. I have come to explain how the government hopes to take advantage of this opportunity in the immediate and near future. Taking an opportunity means recognizing it. Our great writers and historians have taught us that Chile had other opportunities in the past. One of them is very well known because when it was not taken, it meant a long history of national frustrations.

The people feel great bitterness when they lose their opportunity and have to wait for a long time for a new one. An opportunity is not a miracle as a result of a plan or the magic or force of a political boss. An opportunity is the result of work by all the people which sometimes does not come true because of disagreements among their leaders or because the size of the projects is not up to the circumstances. This is when the sacrifice of the people can become useless and forgotten.

I am deeply convinced that a powerful series of national and international factors have opened a great opportunity for us. Chile has grown over the past 10 years at an average rate of over 6 percent a year, which is unusual in the history of Chile. During this period, our exports increased at a rate of over 9 percent, inflation decreased from an average 20 percent per year in the second half of the 1980's to an average 13 percent during the last two years. These achievements were made along with a historic reduction of unemployment, which dropped from an average of over 17 percent in the last decade to about 5 percent in the last few years.

Our great hope in the future, however, lies in increasing our savings and investments. During recent decades, the savings rate never surpassed 18 percent of the GDP, in the last few years it has risen to about 22 percent. In the last couple of years, the investment rate, which traditionally never reached 20 percent, has risen to between 25 and 27 percent. This is unprecedented in the last 50 years of Chilean economic history.

This economic growth will be accompanied by a greater social determination through a decrease in poverty levels and an increase in production. This was the start of an era in which we have achieved economic growth with equity. If we are able to maintain this trend in the next 10 years, our country will certainly have reached the threshold to overcome underdevelopment.

World transformations have opened new horizons for our expectations of economic growth and a new political, cultural and social agenda. The internationalization of the economy is a reality today. We face the challenge of exporting all goods and services with comparative advantages to all countries throughout the world. Soon there will come a time when our traditional economy will probably continue to grow and, at the same time, we will perfect the current comparative advantages and thus achieve proper margins of competitiveness of new goods and services.

The new post-Cold War international agenda is ambivalent. On the one hand, the conflict that characterized the second half of this century—which during peak political tensions internationalized intrinsically local issues as we Chileans know too well—is categorically over. On the other hand, we are simultaneously witnessing the opening of new expectations of altruism with new threats of barbarism.

The end of bipolarity has done away with rigid dogmas that characterized our recent past and allows for a wider, more diversified, and richer discussion of the options available at all social levels. The globalization of communications and an increasing interaction, however, challenge our identity. We need to critically assimilate the global culture that surrounds us through our own development.

If our social, political, and economic coexistence become cosmopolitan without an adequate hierarchical order, our Republic runs the risk of becoming a true Tower of Babel. To assume this historic opportunity, we must prioritize subjects, objectives, and challenges; and thus center our country's energy on the needs of our people. This should be achieved by concentrating our efforts in those areas which have a greater impact on the quality of life of all Chileans.

We have defined three great tasks that must be assumed with a patriotic attitude because beyond being the specific duties of the administration in power, the future of all Chileans depends on these national objectives. They are: the consolidation of our economic development, eradication of extreme poverty, and establishment of a modern labor code; the design of effective and all-encompassing health and education systems able to meet the demands of a fast-growing society; and lastly, the insertion of Chile into the international scenario.

In the last few years, Chile has conquered a privileged position among countries with developing economies. This constitutes a solid basis upon which to build the country all Chileans desire. We are determined to continue to build and expand this path toward development on the basis of equity and stability. The success achieved in the recent past compels us to redouble our efforts in the immediate future.

This year, we experienced an economic adjustment process that will result in an economic growth of about four percent and an estimated inflation rate of 11 percent. Today's sacrifices, however, are an investment for the future. We will be inflexible in our struggle to curb inflation because it constitutes the worst tax to burden those fellow citizens who live off a salary or wage.

This is a high priority task for my administration. In the past few months, we have already adopted measures to decrease high spending. We will not curb the inflation rate by resorting to the easy alternative of decreasing the exchange rate because it will undermine our exports.

There will be no economic growth without effort and sacrifice. We will achieve a greater economic growth only if we are able to significantly increase our national investments and savings. This compels us to be more austere both at the private and public levels by avoiding spending, which many times is justified, and thus increase our savings and finance investments.

Continued high economic growth demands constant efforts to strengthen savings and investments and their effectiveness is strongly tied to development and the expansion of the financial market. We are committed to implementing the new capital markets law promptly. We hope to achieve a reasonable and timely solution to the debt of private banks with the Central Bank through the adoption of responsible measures that will not undermine the Central Bank's patrimony.

The government, which will persevere in its efforts, will use the savings and investment fiscal policy, the commercial policy, and production incentives, as tools to achieve the following goals: 1) To curb inflation so that during my administration we may achieve single-digit inflation comparable to that of successful economies; 2) a real economic growth of no less than 5.5 percent during my administration so that by the year 1999 we may increase the current per capita income of $3,160 to about $4,400. This represents a 38 percent increase at today's current values; 3) a more dynamic job market to increase the job and labor force by 2.5 percent per year; 4) a production increase that will average about 3 percent per year. Although this is demanding, it will allow economic growth on a more equitable basis; 5) a gradual but systematic increase of real salary levels to substantially

increase the real salary of workers during my administration; 6) a significant increase in consumption levels of low-income families in line with the new sustainable opportunity pattern [patron de oportunidades sustentables] which is designed for them; 7) a continuation of our commercial opening process by expediting the internationalization process of the financial and investment fields to considerably increase our competitive levels. [passage omitted]

Throughout history, Chilean foreign policy has always abided by the following main principles: Firm respect for international law, the peaceful solution of conflicts, international cooperation, support for democracy, and friendly relations among all nations.

Within the current international context, compliance with these principles is evinced by the active and dynamic support given to the internationalization of Chile's economy through what we call diplomacy for development.

With this encouraging attitude in mind, we have defined three main targets for our country's foreign policy. First, we will seek to further internationalize the Chilean economy through alliances and agreements which will give us a better chance of becoming part of an increasingly interconnected world. Our second objective is to improve our relations with our main trade partners throughout the world, while fostering an atmosphere conducive to the strengthening of democratic stability, especially in Latin America. Our third objective will be to selectively participate in initiatives to attain peace, foster democracy, increase respect for human rights, and implement development and social fairness throughout the world.

We will act in keeping with certain guidelines and policies. Our country fully supports the principle of open regionalism and believes that regional agreements are the appropriate mechanism to expand trade and investments. We believe these agreements should ultimately seek increasingly free world trade. This approach allows us to unilaterally open our economy, sign bilateral agreement, and actively participate in multilateral negotiations.

Our foreign policy will give priority to our ties with other Latin American countries. Latin America has again become one of the world's most economically dynamic areas. Economic integration and complementariness are, thus, more necessary than ever. We would like to contribute to the shoring up of an atmosphere of peace, dialogue and mutual trust among the countries of this region. With this objective in mind, we will implement a policy based on constructive rapprochement, and physical and economic integration. This year, we expect the court of arbitration will issue a ruling that will end the dispute [with Argentina] over Laguna del Desierto, thus reducing pending border disputes to the minimum.

Our evaluation of the results of bilateral agreements Chile has signed so far with Mexico, Argentina, Bolivia, Colombia, and Venezuela, is very positive. These agreements and our domestic policies that seek to further open our economy have contributed to make more dynamic our commercial relations with other Latin American countries. We will continue to negotiate with Ecuador, and we hope that our talks with Peru and Brazil will make more headway than they have so far.

We are especially interested in our relations with the Common Market of the South [Mercosur] to which Chile's two main Latin American trade partners belong. In the coming months, Chile will propose to Mercosur a mechanism which, without requiring us to become a partner in that common market, will pave the way for the establishment of a free trade zone in the region.

We are aware that in the medium term, it will become necessary to find a regional framework to reconcile the many partial agreements that various countries have reached among themselves. The Latin American Integration Association [ALADI] should provide us with the proper legal foundation for an integration policy, and provide the main scenario for multilateral action to the point of becoming a true Latin American trade forum.

Chile will support efforts to make the Rio Group the common representative for Latin America at global debates. This group must expand its economic scope, especially to join forces against protectionist measures which threaten our development. The Rio Group must resume its initial quest for political agreements to tackle pending problems related to peace, security and coexistence in Latin America.

Our Latin American policy must be fully compatible with our drive for greater participation in world markets. My administration will give priority attention to the negotiation of bilateral or multilateral agreements aimed at the attainment of this objective.

We want to broaden our bilateral agenda with the northern countries. With the U.S. Government, we recently made the political decision to begin negotiating a free trade agreement which could be either bilateral or multilateral by having Chile join NAFTA. My administration views negotiations for this kind of agreement as a priority.

This does not mean just any agreement will be attractive to us. It is very important to coordinate negotiations and properly weigh the impact of the various elements such as the opening of the goods and services market, trade regulations, mechanisms to resolve disputes, intellectual property, investments, environment, labor affairs, and other issues that an agreement of this kind involves. Only through a joint effort by the entire country will the negotiations have a positive outcome for Chile, and pave the road for other Latin American countries.

Europe is also an important target for our foreign policy. The EU is the world's largest common market, and continues to be one of Chile's main commercial partners.

Furthermore, our country has excellent political relations with the European countries. These relations are based on deep-rooted common values and this has prompted a significant flow of cooperation and investment. We have things in common that we want to develop and thus strengthen commercial ties with the EU and its members and to soften the impact of protectionist tendencies that harm Chile. We are prepared to negotiate—either bilaterally or multilaterally through the Rio Group—a partnership with Europe that will give stability to our commercial and financial operations.

Chile's foreign policy also seeks to increase the opening toward the Asian-Pacific countries. The Pacific Basin is bound to be one of the main scenarios of the future world. In October this year, we will join the Asia Pacific Cooperation, APEC, thus crowning our efforts to tighten bonds with that part of the world. Our presence in the Asian-Pacific region is, however, not strong enough yet. The Chilean Government can create favorable conditions and establish the necessary contacts, but it is up to private entrepreneurs to make use of these facilities daringly and creatively if we truly want to make Chile Latin America's outlet to the Pacific. [passage omitted]

The protection of the environment and natural resources is yet another priority of my administration. Our work to protect the environment will abide not only by the provisions of the Constitution and of the Basic Law for the Environment; we will also take several other steps. The state will be given effective legal, economic, and administrative tools to include protection of the environment in the policies for each sector. For this the administration will strengthen the National Environment Commission [Conama] and the appropriate regional commissions.

This year we will develop and implement the rules and regulations for the evaluation of the environment, which the Basic Law for the Environment calls for, and the regulations that will allow us to set environmental standards. We will improve the people's environmental awareness through formal and informal education methods aimed at fostering environment-conscious behavior patterns. For this, we will train over 1,200 monitors over the next three years.

The administration will promote environmentally sustainable technological development. Along those lines, we are already implementing a program of subsidies for technological upgrading aimed at reducing by 60 or 70 percent the consumption of industrial components that harm the ozone layer by the year 1996.

We also want to develop consultative mechanisms for the citizenry and the productive sectors concerning the drafting of environmental policies and instruments. The administration is already in touch with these sectors in its effort to create the above mechanisms. This effort will be strengthened soon through the establishment of a communications center under the Conama umbrella, and by involving social agents in the adjustment and implementation in Chile of the Rio-21 environmental agenda.

We will actively involve public agencies that have a role to play in the preservation of the environment in solving administrative problems and in training and the allocation of resources. To accomplish this, we have the invaluable support of a World Bank program which is already operational.

We will implement a program to control water and air contamination, for which the appropriate standards will be established. The administration will also encourage financial companies to support worthwhile environmental projects. For this, the administration will expedite technological upgrades and allow the companies to comply with regulations by providing the lines of credit to finance the necessary investments.

We will support the environmental efforts of the municipalities for which instructions have been issued to develop the necessary instruments for better and more effective management of urban, industrial, and dangerous waste. We will also strive for a more effective use of energy. As part of our planning of the use of energy, and in keeping with our international commitments, we have prepared a list of gases related to the greenhouse effect. We will also improve the national wildlife reserve system, coastal zoning, and marine reserves. [passage omitted]

The future of our nation is safeguarded by a nonpartisan, coherent national defense policy designed in consensus by democratic institutions. No particular problem will deflect us from these guidelines. In matters of national defense, the administration will assume its pertinent role of strategic and political leadership. To this effect, it will strengthen and streamline the existing defense institutions. It will promote the adequate modernization of our Armed Forces by granting them a stable budget based on strategic criteria, and by assuming the challenge of reorganizing them in keeping with the demands of the international and regional scenarios.

We want all citizens to be aware of the privileges and duties that the task of national defense entails. We will actively promote the involvement of civilians, at the academic and technical level, in the development of the Armed Forces and in national defense matters. The administration will promote this national awareness through a National Defense Report to be issued in one year. This report, which will be available to all citizens, will explain in detail the objectives and tools of our national defense.

My administration has decided to fully occupy Chilean soil, sea, and air spaces. We will consolidate and integrate our domestic borders and will effectively occupy our lands. To this effect we will study the initiative that the Chilean Army has promoted in this regard within the vast concept of the regionalization and national development programs.

Moreover, when I opened the Month of the Sea, I proposed a series of initiatives for the development of a sea policy. In addition, the Navy has made important contributions to developing sea resources, which constitutes a new privileged space for development opportunities.

We need an organization to promote these initiatives and to coordinate the activities of those organizations dealing with sea-related activities. In view of this, within a six-month period, the government will establish a National Oceanic Commission that will be in charge of overseeing the effective occupation of the sea, the safeguarding of Chilean rights, and the balanced exploitation of sea resources.

The administration is also closely following the vast prospects for the peaceful exploitation of space: communications, weather forecasting, and environment. In view of this, it will study the Chilean Air Force's proposal to create a national space institute.

Our challenges in the defense area will be based on the pillars of knowledge to promote the commitment of citizens and a national defense policy for a safe future. [passage omitted]

There will be no sustainable development for our fatherland if we are unable to establish well-designed and effective political institutions that are recognized by all as just and legitimate. There are countries with successful economies that have been ruined by faults in their political systems. There have also been countries with truly legitimate political systems that have seen their development frustrated because of the explosion of long-standing social conflicts, or because of their inability to draft a coherent security and defense policy.

My administration has proposed that the constitutional reform be discussed within the broader framework of the state reform and modernization program in order to adjust it to international changes at the economic, international affairs, and political levels. This is not a question of minorities or majorities or an issue concerning the imposition of the will of one group over that of the other. By definition and essence, this is an issue of consensus.

I want to be perfectly clear on this issue. I propose, therefore, a frank, open, and constructive proposal. I believe everyone must admit that there are a large number of issues in the current constitutional order that lack consensus. No matter on which side of the fence you are standing—among those who defend the current constitutional order or those who criticize it—we must admit that this constitutional order lacks the consensus it should and needs to have.

There is a lot of contradictory criticism in Chile about the electoral system, the municipal order, the manner in which mayors are elected, the limits and procedure for controlling legislative elections, or how the Senate is formed. Moreover, a series of proposals and initiatives are circulating on inabilities and incompatibilities in regional council reforms.

It is neither practical nor ethical for our country to exhaust these issues in rigid political struggles without implementing this reform. On this basis I urge you to adopt a futuristic outlook, one of rapprochement through dialogue, and one that seeks constructive solutions in congress and in the political parties' debates.

Let us overcome stagnation because this only helps to aggravate problems. Let us not use this issue to point out the differences between government and opposition parties. Let us not adopt a narrow-minded attitude by only proposing reforms based on either government or opposition power strategies. Let us not center our discussions on ideological issues or try to seek personal attention. If we avoid these temptations, we will be able to have a constructive debate instead of one that will increase our differences.

More specifically, more than centering our discussions on authoritarian enclaves to safeguard democracy, we must face the challenge of defining what kind of congress we need for Chile; and of establishing a municipal order that heeds the current national needs, seeking democracy at the municipal level, decentralization, efficient administration, and ethicality.

Within this context, my administration is working on two constitutional reform bills which we will soon submit to Congress. The first is inspired by the idea of having an expeditious and modern congress with truly democratically elected members.

In view of this, we will be proposing reforms in the following areas. First, the reform of the electoral system, establishing one that will guarantee reasonable results based on the principle of one citizen, one vote, and reflecting the representativity of main opinion trends, contributing to political stability and long-term governability.

We are also open to reforms that will increase the effectiveness of legislative work, expedite paper proceedings, and make less bureaucratic the drafting of bills.

In this regard, the government proposes to do away with the differences between ordinary and extraordinary congressional terms. Moreover, it proposes reforms seeking to make joint committees more efficient and expedite proceedings in the drafting of laws. We are willing to introduce reforms to the Constitution that will increase the supervisory duties of the Chamber of Deputies.

A modern congress must offer guarantees to congressional minority blocs so that they can exercise their supervisory duties in an effective and responsible manner. This presupposes, under terms to be specified, a decrease in the number of legislators needed for the establishment of investigating committees [applause],

but it also guarantees the responsible exercise of supervisory duties so that no one shielded by legislative immunity may undermine the honor and dignity of people without being punished. [applause]

A constitutional reform, like the one we aspire to implement in Congress, cannot exclude the case of designated senators. The proposal of this amendment does not presuppose an adverse judgement against the persons who are today exercising these duties. My administration is convinced that the Senate must be formed on the basis of the will of the people. [applause]

The second constitutional reform draft bill to which we are devoted is that concerning municipal government. This administration is willing to discuss an amendment that will allow the direct election of mayors. The approval of this reform compels us to carry out an exhaustive discussion of the overall modernization of the municipal administration system, which presupposes the study of several interrelated issues.

Let us consolidate our institutions on the basis of national objectives. We need coherent and overall democratic operational objectives at the regional and municipal levels. Let us keep in mind that what is at stake here is the competence and the essential resources needed to achieve an equitable balance between the municipalities and regions of our country.

There is another issue I would like to comment on, which affects the quality of politics, the administration of the state, and our entire society. I am referring to ethics and morality.

Chile is a country with an honorable tradition of public service. We must safeguard and protect this moral patrimony. Though they are of course serious, the recent reports of irregularities and abnormalities cannot compel us to say that we are facing a situation of systematic or rampant corruption.

Nonetheless, we must be prudent and safeguard our fatherland with a view to the future. We also cannot ignore that drug trafficking and other illegal transactions are dangers that are looming over our fatherland.

In view of this my administration is determined to increase the quality of life of our citizens by reasserting the moral values that are essential for public servants; by improving the social control of government leaders; and by increasing openness in the exercise of political duties and in the interrelation between political and economic power through a more effective handling of public assets and institutions.

The lack of public ethics is the result of an uncontrolled exercise of power, and ambiguous responsibilities. In view of this we must define responsibilities, and what is legal and illegal in public life. This is a consensus that must be achieved with the ultimate objective of restoring a new national public ethics code.

The promotion of morality presupposes the achievement of a national consensus because public ethics affect private business and public administration alike. In view of this, we have promoted and established the National Public Ethics Committee, encompassing all the branches of government and representatives of civilian society. Its objective is to draft guidelines which, once introduced through administrative and legislative measures, will be clear guidelines for preventing and punishing behavior that is not in keeping with ethics and morality. We will have specific results in this regard within a couple of months.

We will continue to work relentlessly, but calmly and diligently, in the same manner in which we have written the history of our nation.

My government will comply with its duty in this area. By the end of this millennium, we either will or will not have taken full advantage of the historic opportunity we have received from the nation, with the unprecedented circumstances existing in the world today.

One of the most common ways of undermining the strength and drive of the national plan is by hiding behind group interests. The relative situation of neglect affecting any given group, within the context of various production and service sectors, will be corrected only through a persevering, effective, and coherent policy. There is no other way of reversing the historical process that provoked the weakening of that sector.

Each Chilean must be aware of what this new opportunity is all about. We must find ways to stop opportunists, hasty populists, and those who are still longing for polarization and violence. Each Chilean should know that political stability is an essential condition for economic growth. Everyone, especially the lower income sectors, must know the extent to which social development is dependent on economic growth. The poorer, humbler people can still tell between those who seek progress and those who only instigate useless disputes.

Ending an era in which ideologies prevailed cannot generate a void entailing a lack of ideologies or ideas. Drawing on the nation's spiritual strength, we must build a common democratic foundation. This foundation, which ought to be based on ethical-legal principles, must promote a culture upholding responsibility. This foundation should be taught in schools, families, and through the media, as well as in churches and in other national spiritual centers, so that it may be legally binding for everyone.

The country must reaffirm its resolve to act with the strength of its old pioneers. The country requires new efforts and new tasks, without which the national plan will lose strength. Civic friendship and a conciliatory spirit are the driving forces behind this new opportunity. The desire to search for agreements has been one of our major achievements in our coexistence in recent years. This desire may thus not be conceived as a mere truce, or as a ruse to block the action of the opposition. To search

for agreements is to promote understanding rather than confrontation; it means to understand that development requires stability; it entails awareness that politics is built on confidence, which gives way to constructive behavior. It means to understand that no agreement will bring adverse effects on those who promoted it, but that it will rather bring legitimacy and glory upon those who promoted it. [applause]

In this spirit I urge everyone to look, without pause, for basic agreements concerning the rules of the political and economic games and broad cooperation among the branches of government. Let us be aware of this opportunity. We have the chance to humanize politics. Let us all make sure that our legitimate democratic disagreements stay on a suitable course. We have made much progress, but let us not fail at such a decisive moment for our economic expansion and political consolidation. [passage omitted]

The nation must display sound, calm optimism in order to continue treading this historic path. By the end of the next decade, the resolve of each Chilean will have made a great nation from this small community. [passage omitted]

Seventy days ago I solemnly pledged here to respect the Constitution and the laws, and to work for the greatness of the fatherland. Today, complying with the desire of our people, without arrogance, with happy humbleness, with resolve, courage, and strength, I am committed to leading our country on the path leading to this great opportunity. May God enlighten me in this great task. Long live Chile! [applause]

Time 'Not Right' To Reform Military Appointment Procedures

PY2405141694 Madrid EFE in Spanish 0251 GMT 24 May 94

[Text] Santiago, 23 May (EFE)—Today, Genaro Arriagada, minister secretary general of the Presidency, revealed here the government does not believe it is the right moment to change the regulations by which the commanders in chief of the Armed Forces and Carabineros, who will remain in their post until 1997, cannot be replaced.

The minister said that "although everyone is aware that we believe the commanders in chief should be appointed by the president of the Republic, the government has now proposed to the country what we call an 'explicit defense' policy."

Arriagada explained that the policy "does not emphasize the relationship between civilians and military, but rather issues pertaining to national defense."

The fact that the high military commands cannot be replaced is established in the 1980 Constitution, which was drafted under the military regime headed by General Augusto Pinochet.

The minister admitted that the political parties of the governing coalition lack the support in the Senate, as well as in the Chamber of Deputies, to approve the constitutional reform announced in President Eduardo Frei's government program when he was elected in December.

Minister Arriagada was asked about the subject in view of the fact that President Frei did not mention it in his 21 May speech to Congress, in which he announced the tasks his government will undertake next.

Colombia

Court President Reminds Gaviria of 'Limits'

PA2405155294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 May 94

[Report by Darcy Quinn from the "24 Hours" newscast—passages within quotation marks recorded]

[Text] The conflict between the Constitutionality Court and President Gaviria has intensified. On the evening of 23 May, the president of the court disclosed a letter suggesting the dangers of a presidential dictatorship. Darcy Quinn has this report:

[Quinn] Constitutional Court President Jorge Arango began his reply to President Gaviria by reminding him of certain basic provisions contained in the Constitution.

[Arango] "The Constitution recognizes the separation of state branches—namely, the legislative, executive, and judicial branches—under Article 103."

He also told the president that he has overlooked one very important point: Common citizens are permitted to do anything that is not specifically prohibited by law, but public servants must limit their actions to the duties outlined by laws and regulations.

[Arango] "With due respect for his very important office, we must point out that the president of the Republic is not a common citizen and that there are limits on his ability to exercise power."

He reminded President Gaviria that the duty of the Constitutional Court is to decide whether rules and regulations are in keeping with the Constitution.

[Arango] "In terms of reviewing laws, for example, this responsibility obviously cannot be fulfilled by Congress, which issues them. The chief executive cannot do this either because this would imply a dictatorship."

Finally, the Constitutional Court president outlined which branch of state would serve to pass judgment over members of the court.

[Arango] "If we fail to fulfill our duty, the Senate of the Republic is there. The Constitution states that the Senate should act as our judge."

Gaviria Answers Constitutional Court President

PA2405152194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 May 94

["Excerpts" of letter by President Cesar Gaviria to Constitutional Court President Jorge Arango Mejia; date not given; from the "24 Hours" newscast—read by announcer]

[Text] Let me emphasize to you that in this case, as in any other, the government accepts and respects the decisions made by your institution with regard to the interpretation of the scope of the Constitution. This position, however, does not prevent me from advocating the alternatives I deem convenient within the judicial system.

I share with you the interest in preserving the separation of government branches, especially the autonomy of the judicial branch. This belief does not mean unanimity, nor does it obstruct the pursuit of legal or constitutional alternatives.

Rest assured that the government refuses to let this case be overblown.

Roundup of Economic Developments

PA2505012894

[Editorial Report] The following is a compilation of reports on economic developments monitored through 24 May 94.

According to a stock market report, net profits for the manufacturing sector rose 13.3 percent compared to the first quarter of 1993. The country's economic situation has not adversely affected Colombiana enterprises, which grew stronger in the first quarter, registering increases in sales and assets and decreasing indebtedness. The strengthening of the Colombian enterprises became evident in the growth of current assets and net worth, which rose 51.8 and 70.6 percent, respectively. (Santa Fe de Bogota EL TIEMPO in Spanish 20 May 94 pp 1B, 2B)

Colombian exports to Venezuela dropped 6.5 percent as a result of the bolivar devaluation. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 May 94)

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